ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1982

STATE OF OREGON

VICTOR ATIYEH , GOVERNOR

EXECUTIVE DEPARTMENT

ROBERT W. SMITH, DIRECTOR

REPORT PREPARED BY:
ACCOUNTING DIVISION

NEAL R. FISHER C.P.A. ADMINISTRATOR
SHARI OLSON C.P.A.
DAVID SALSBERY C.P.A.

STATE OF OREGON
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 1982

TABLE OF CONTENTS

	Page
Introduction	
Letter of Transmittal	1
Organization of Oregon State Government	2
State Program Areas	5
State Budgetary Process	6
Governmental Funds - Revenues and Expenditures	6
Recent Developments	9
Financial Section	
Notes to Financial Statements	12
Combined Statements	
Combined Balance Sheet - All Funds and Account Groups	21
Combined Statement of Revenue - All Governmental Funds and Trust and Agency Funds	23
Combined Statement of Expenditures - All Governmental Funds and Trust and Agency Funds	25
Combined Statement of Changes in Fund Equity - All Governmental Fund and Trust and Agency Funds	27
Combined Statement of Revenues, Expenses, and Changes in Fund Equity All Proprietary Funds	28
Combined Statement of Changes in Financial Position - All Proprietary Funds	29
Combined Statement of Revenues - Estimated (Non-GAAP Basis) and Actuals - 1981-83 Biennium	30
Combined Statement of Budgeted (Non-GAAP Basis) and Actual Expenditures - 1981-83 Biennium	31
Reconciliation of Budgetary Revenue to Revenue Reported in the Combined Financial Statements	33
Reconciliation of Budgetary Expenditures to Expenditures and Expenses Reported in the Combined Financial Statements	34
Combining Statements - Governmental Funds	
General Fund	35
Special Revenue Funds	39
Debt Service Funds	44
Capital Projects Funds	50
Combining Statements - Proprietary Funds	
Enterprise Funds	55
Internal Service Funds	61
Combining Statements - Trust and Agency Funds	67
Schedule of General Fixed Assets	74
Schedule of General Long-Term Debt	75
Supplemental Information	
Analysis of Cash and Investments with the State Treasury	76
Redistributions of Revenue Collected	79
Historical Statement of Budgetary Revenues	80
Historical Statement of Budgetary Expenditures	81
Analysis of Bonded Debt	82
Economic Information	90

VICTOR ATIYEH
GOVERNOR

Executive Department

155 COTTAGE STREET N.E., SALEM, OREGON 97310

October 31, 1982

GOVERNOR
MEMBERS OF THE LEGISLATURE
AND OTHER CITIZENS OF OREGON

It is a pleasure to present the annual statewide financial statement for the State of Oregon prepared in accordance with ORS 291.040.

The accompanying unaudited statements present the financial condition of the State of Oregon as of June 30, 1982 and the results of operations for the year then ended. These statements are presented in accordance with generally accepted accounting principles applicable to governmental agencies.

The financial statements include the financial transactions of all state agencies. Supporting financial information, statistics, and notes are provided as considered necessary to completely and adequately disclose the financial status of the State.

Inasmuch as these financial statements were prepared from the accounting records of the agencies prior to audit, they are presented as unaudited financial statements, and no independent auditor's opinion is provided.

The efforts expended in developing these financial statements provided many benefits to the State including establishment of statewide accounting policies, standardization of accounting and reporting in the state agencies, and requirement of agencies to maintain more complete and timely accounting records. Formal financial training courses were continued this year to further improve financial management and reporting in Oregon.

Financial records and reporting should continue to improve this year as each individual agency is now required to prepare an annual financial report and submit it to the Division of Audits.

We hope that we have provided financial statements which will be valuable to legislators, concerned citizens, and investors. Suggestions or comments are always welcome.

Robert W. Smith
Director

jh

encl.

ORGANIZATION OF OREGON STATE GOVERNMENT

General Organization

The government of the State of Oregon is comprised of three separate branches: Executive, Legislative and Judicial.

The Executive branch of government, which administers state agencies and enforces state laws, is headed by six independently elected officials.

The Governor, Secretary of State and State Treasurer, in addition to performing their individual duties, jointly form the Land Board. The three members of the board have equal responsibilities and the Governor serves as chairperson.

The Attorney General, Superintendent of Public Instruction and Labor Commissioner are elected to carry out the particular duties of their respective divisions.

The Executive Branch

The Governor of Oregon is elected to a four-year term and is limited to serving two terms in any twelve-year period. Governor Victor Atiyeh assumed office on January 8, 1979. Responsibilities of the Governor, in addition to chairing the Land Board, include planning and recommending a budget to the State Legislature, coordinating activities of state agencies, initiating future state activities, and coordinating services of federal and local governments.

The Governor may call special sessions of the Legislature and veto single appropriation items or emergency clauses on legislative bills. He appoints numerous agency heads, boards, commissioners and other officials.

The Secretary of State is the auditor of public accounts and is chief elections officer. As auditor, the Secretary of State conducts audits for municipal corporations and audits the accounts and financial affairs of state boards, commissions, departments and institutions. The Secretary of State also edits, codifies and publishes Administrative Rules for all state agencies which supplement laws passed by the Legislature and prescribe the manner in which state agencies conduct their business.

The State Treasurer is responsible for all moneys paid into the State Treasury, and as the State's Investment Officer, invests trust and general funds. The Treasurer also receives and disburses state funds, has custody of securities deposited with the state, and oversees the issuing, paying of interest, and retiring of bonds. The Treasurer is a member of the Oregon Investment Council, the State Land Board, the Local Government Investment Board, the Municipal Debt Advisory Commission, the Public Contract Review Board, and the Oregon Mass Transportation Financing Authority.

The State Land Board was created by the 1967 Legislature to supervise administration of state-owned lands and public rights in submerged and submersible lands. Proceeds from the use of these lands are deposited as principal in the Common School Trust Fund. Interest from the Fund is paid to counties for school operation.

The Legislative Branch

Oregon's Legislative Branch is comprised of a bicameral legislative assembly and its permanent and temporary Legislative committees. The Senate has thirty members elected to four-year terms with half elected every two years. The House of Representatives has sixty members, all elected every two years.

The Legislature convenes its regular session in January of each odd-numbered year. The current Legislative session began January 12, 1981, and ended August 2, 1981. Session length is not prescribed in the Constitution, although it is usually about six months. The Legislature considers an estimated 2,500 to 3,000 measures introduced during the regular session and enacts 25% to 30% of these measures.

Special sessions of the Legislature may be called by the Governor or by a majority of each house to deal with emergency situations. Since 1970, the Legislature has held eight special sessions, from one to 37 days. The Legislative Assembly has never exercised its right to call itself into special session.

The primary function of the Legislative Assembly is to enact laws, to provide a forum for public discussion, and to determine fiscal policy together with the Executive branch. Certain Executive decisions are subject to confirmation by the Legislature. In addition, since 1977, Oregon has had a "sunset" law under which certain agencies are terminated unless their continuation is approved by the Legislature.

The Oregon Constitution, Article IX, Section 6, provides that the state may not budget expenditures in excess of revenues. Therefore, the Legislative and Executive branches must provide a balanced budget. The Legislative Assembly reviews and revises the Governor's recommended budget and passes appropriation measures to provide revenues. Because the Legislature convenes biennially, the finances of the state are managed on a biennial basis.

Of significant importance in the Legislative branch is the Emergency Board, a joint Legislative committee created by statute. The seventeen-member Emergency Board consists of the President of the Senate, Speaker of the House of Representatives, Co-Chairpersons of the Joint Legislative Ways and Means Committee, six other Senate members and seven other House members. The Emergency Board usually meets once each month during the interim between regular sessions, and by statute may schedule its own meetings.

Where an emergency exists, the Emergency Board may allocate to any state agency, out of emergency funds appropriated to the board for that purpose, moneys in addition to those allocated by the Legislature. The Board may take other actions to meet emergency interim needs such as providing funding for an activity required by law, authorizing expenditures from dedicated or continuously appropriated funds, and approving funding for a new activity coming into existence at a time which would preclude submitting a budget to the Legislature.

In addition, the Legislature has a variety of statutory and interim committees that function throughout the biennium. Legislative Counsel Committee, Legislative Administration Committee, Land Use Committee, Data Processing Committee, Senate Executive Appointment Committee, Trade and Economic Development are the major statutory committees. The major interim committees are the Joint Interim Revenue Committee, Joint Interim Judiciary Committee, Interim Committee on Sunset Review, House Interim Committees and Senate Interim Task Force Committees.

The Judicial Branch

The Judicial branch consists of the Supreme Court, the Court of Appeals and the Tax Court. In addition, the State pays the salaries of Circuit and District Court judges. The seven-justice Supreme Court was created and its jurisdiction defined by the Constitution. The Supreme Court has discretionary review of decisions of the Court of Appeals.

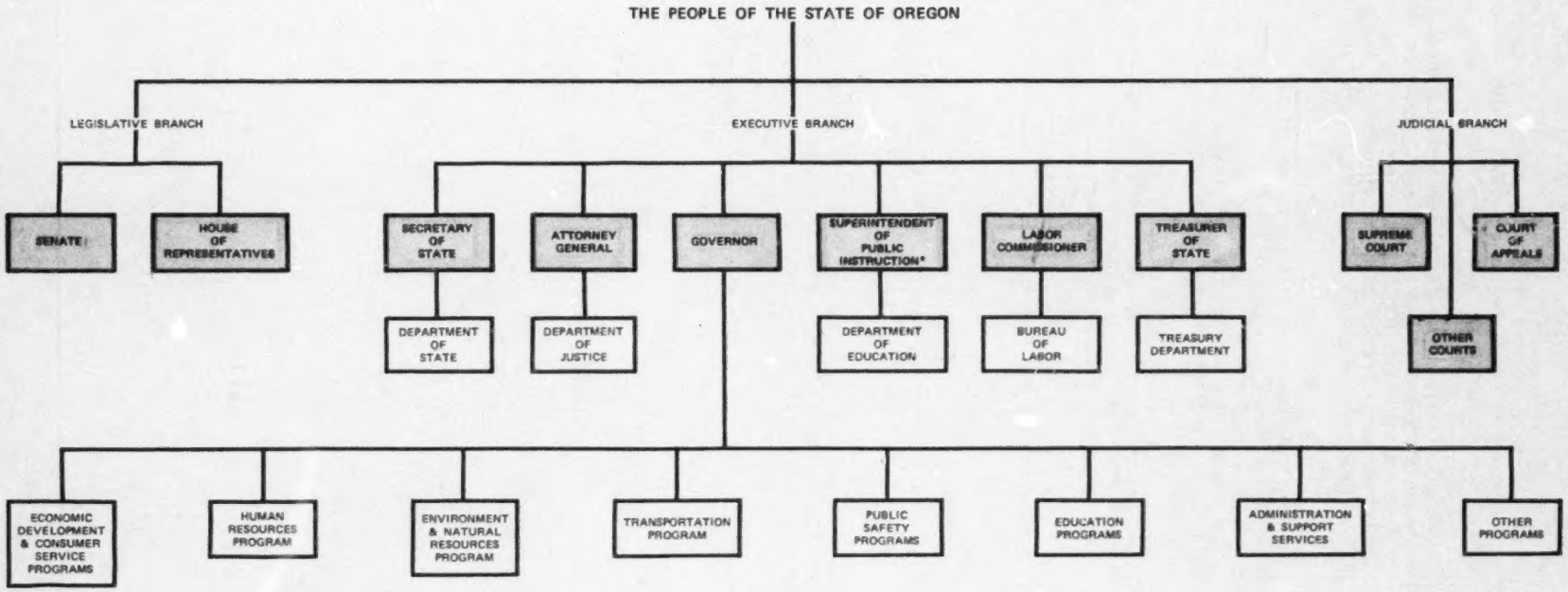
A five-judge Court of Appeals was created by the Legislature in 1969, expanded to six judges in 1973 and expanded to ten judges in 1977. The Court of Appeals has exclusive jurisdiction over all civil and criminal appeals from circuit and district courts and review of orders of state administrative agencies, Corrections Division disciplinary actions, and Board of Parole orders.

The one-judge Tax Court, created by the 1961 Legislature, has exclusive jurisdiction over tax related matters. The Circuit Court is the state trial court of general jurisdiction, and the District Court the trial court of limited jurisdiction.

All judges are elected to six-year terms on a nonpartisan ballot. The Chief Justice exercises administrative authority over the courts of Oregon.

The organizational chart on page 4 summarizes the organization of Government in Oregon.

STATE OF OREGON
ORGANIZATION OF GOVERNMENT



*The Superintendent of Public Instruction reports to the State Board of Education appointed by the Governor.

SHADING DEPICTS ELECTIVE OFFICES

STATE PROGRAM AREAS

Economic Development and Consumer Services

Since 1970, Oregon's economy has expanded rapidly. However, this expansion has also given rise to increasing demands for a wide variety of public services related to consumer protection, business regulation and public safety in the commercial sector. These demands have been met through more effective operation of existing programs and through the consolidation of overlapping activities wherever possible. The common elements of the many State agencies in this program are the safety and protection of the Oregon public as consumers and producers, as employes and employers, and as savers and investors. In the area of economic development, a variety of local economic stimulation projects are intended to provide more job opportunities for Oregonians and to generally stimulate Oregon's economy. The State Department of Economic Development is overseen by the Economic Development Commission and is active in international trade, port activities, industrial development incentive programs, and small business assistance.

Education

The education program area includes the Department of Education, the Department of Higher Education, and educational support agencies. The Department of Education, acting under the direction of the State Board of Education, exercises all administrative functions of the State relating to supervision, management and control of public, elementary and secondary schools and community colleges. The Department of Higher Education provides direct educational services through the State colleges and universities. The activities of both Departments are coordinated by the Oregon Educational Coordinating Commission.

Human Resources

Human resource agencies offer a variety of social services. Services offered include financial support to needy persons, medical care, protective services, and rehabilitation.

Natural Resources

The overall goal of the agencies in this program area is to conserve, develop and protect the State's natural resources.

Public Safety

The overall goal for the public safety program area is a reduction in the amount of harm to individuals and damage to property caused by events of natural disasters, civil disorders, traffic accidents, criminal activities and armed conflict. Other major objectives include improvement of criminal prosecution and consumer protection from fraudulent business practices.

Transportation

The transportation program area consists of the Department of Transportation, the Traffic Safety Commission and the Travel Information Council. The basic goal of the Department of Transportation is to provide the State with systems of transportation which are safe, are environmentally compatible and provide for orderly economic growth. The objective of the Traffic Safety Commission is to promote traffic safety in Oregon by the use of Federal grants to State agencies and local governments. The Travel Information Council develops and maintains a Motorist Information and Sign Plaza Program and promulgates regulations to control on-premise signs and signs in unzoned commercial and industrial areas.

Administration and Support Services

This program area includes those agencies which provide either executive leadership or administrative and planning support services to line agencies.

Legislative Branch

The Legislative Branch is comprised of the Legislative Assembly and the permanent and temporary legislative committees. The bicameral ninety member Oregon Legislative Assembly convenes in odd-numbered years in regular legislative session. Permanent, statutorily established legislative committees provide special staff services to the Legislature. The Emergency Board is a joint legislative committee authorized to make allocations to state agencies to meet emergency needs when the Legislature is not in session.

Judicial Branch

The judicial program area is comprised of the state supported portion of the Judicial Branch of government to ensure an effective judicial system for the State.

STATE BUDGETARY PROCESS

Each agency of the State of Oregon is required by Oregon Revised Statute 291.208 to submit a budget request to the Executive Department prior to September 1 of each even-numbered year. Throughout the fall these budget requests are reviewed and budget hearings are held by the Executive Department and by the Governor. The Governor's budget recommendations to the Legislature must be printed and distributed by the beginning of December. Appropriation bills for each agency are prepared separately and filed during December. When the Legislature convenes in early January the Joint Committee on Ways and Means, can begin consideration of each bill.

The Legislative Fiscal Office functions as the staff of the Ways and Means Committee and analyzes each budget. Public hearings are held by Ways and Means subcommittees before the recommended budget bill is referred to both houses of the Legislature for a final vote. The Governor may veto any bill. This would render that particular agency budgetless, but the Governor's veto may be overridden by a two-thirds vote of the Legislature.

Since the Oregon Legislature is in session for only approximately six months out of every two years, agencies may request supplemental funding from the Emergency Board of the Legislature, for the interim period. The Emergency Board is a joint legislative committee authorized to make allocations to state agencies from the State Emergency Fund and Other Funds, including dedicated or continuously appropriated funds, and take other actions to meet emergency needs when the Legislature is not in session.

GOVERNMENTAL FUNDS

Most government functions of the State of Oregon are accounted for through the four governmental funds (General, Special Revenue, Debt Service, and Capital Projects). Governmental funds of the State are financed usually from revenue sources received from outside the governmental unit and are expendable only on the general operations of the State of Oregon. Typical resources include proceeds from taxes, licenses, federal reimbursements, long-term debt issuances, and collections made on behalf of other government units, persons, and organizations. The revenues are expended on general government services, acquisition of general fixed assets, payments of interest and principal on long-term general obligation debt, and distributions made to other government units, persons or organizations.

A graphic presentation of revenues and expenditures of the Governmental Funds of the State of Oregon follows on page 8 of this report.

Revenues

The State of Oregon reported a variety of revenues for the fiscal year ended June 30, 1982. Tax revenues constituted the largest single source of revenue. Federal revenue was second. Together they totalled 79% of the revenue collected in the governmental funds. The following is a brief description of the major revenue sources:

Taxes Revenues from individual income taxes and corporation excise taxes represent the largest portion of taxes by Oregon.

Selective sales and use taxes are taxes imposed on the sale and consumption of selected goods, such as cigarettes or motor fuels.

Gross receipts business taxes are levied on business activities such as amusement devices and public utilities in proportion to the gross receipts of the business.

Various other taxes are collected such as those based on the payroll paid in businesses, on the value of property transferred at death or in contemplation of death, and on the removal of designated natural resources from the land and water.

Licenses and Fees Revenue is collected from licensing of certain business and non-business activities within the State of Oregon. Examples of business licenses and fees include fees placed on corporations and licenses necessary for professional individuals to engage in their particular occupations. Examples of non-business licenses and fees include fishing, hunting, and motor vehicle licenses.

Federal Revenues Revenues and cost reimbursements received from the federal government are included under this revenue source. Examples include the revenue received for specific projects undertaken by Oregon and federal reimbursement for highway construction.

Bond Sales Revenue from the proceeds of the sale of bonds is included under this revenue source. More detailed information on bond sales for the fiscal year ended June 30, 1982, is included in the Supplemental Information section of this financial report.

Interest Income Included in this revenue source are the proceeds from interest earned on investments, delinquent taxes, etc.

Other Revenues Examples of other revenue sources of the governmental funds of the State of Oregon include charges for services, fines and forfeitures, sales income, rents and royalties, and contributions and loan repayments made to the State.

A detailed listing of revenues for each governmental fund is provided on page 23 in the Combined Statement of Revenues - All Governmental Funds and Trust and Agency Funds.

Expenditures

The State of Oregon used various expenditure categories to report the amounts expended during the fiscal year. Almost 51% of the total expended by the governmental funds for the fiscal year ended June 30, 1982 was through special payments. The following is a brief description of the six major expenditure categories:

Personal Services The personal services category includes the gross compensations paid for regular or temporary employment, full and part-time, and all employer payroll taxes and employe fringe benefits.

Services and Supplies This expenditure category includes expenditures in connection with the current operation and maintenance of the State. Services are expenditures in payment of fees for personal services provided by someone who is not an employe of the agency. Supplies are purchases of materials of a consumable nature including repair parts and small tools.

Capital Outlay All expenditures for land and its improvements including buildings, structures, alterations and additions thereto; and expenditures for the acquisition, replacement or increase of tangible personal property of a nonexpendable nature are included in capital outlay.

Special Payments This expenditure category includes payments for distributing contributions, deposits, or collections; distribution of federal funds or state funds to governmental subdivisions or quasi-public agencies; and other budgeted transfers and payments where goods or services are not directly received in return.

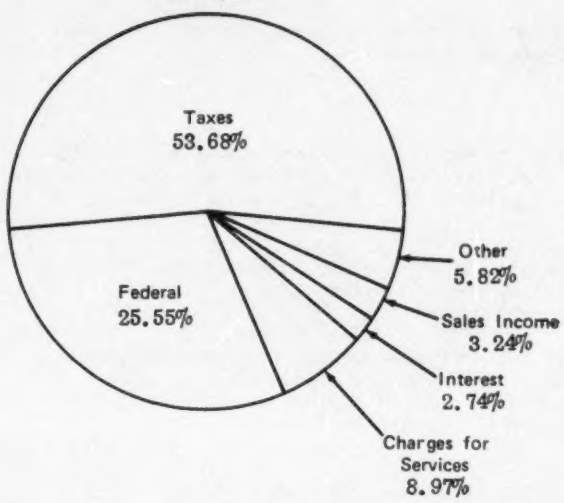
Debt Service Debt service includes payments relative to the maintenance of state debts, including bonds, certificates or indebtedness, etc.

Nonlimited Expenditures This category includes distributions other than shared revenue of taxes, grants, subsidies, etc. to individuals and state agencies of other governmental subdivisions. Depreciation of property and amortization of leased property are also reflected in this expenditure category.

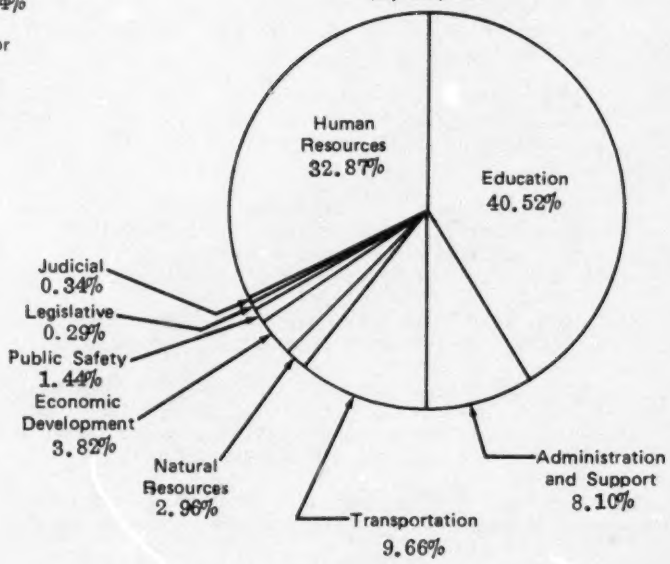
A detailed listing of expenditures for each governmental fund is provided on page 25 in the Combined Statement of Expenditures - All Governmental Funds and Trust and Agency Funds.

STATE OF OREGON
ACTUAL REVENUES AND EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 1982
(Governmental Funds Only)

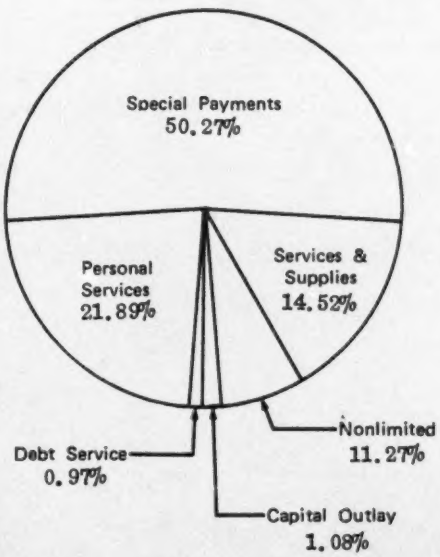
REVENUE BY SOURCE
$2,502,376



EXPENDITURES BY PROGRAM AREA
$3,791,856



EXPENDITURES BY BUDGET CATEGORY



RECENT DEVELOPMENTS

Most of the State of Oregon's General Fund revenues are derived from personal and corporate income taxes. As the state began to feel the effects of the nationwide recession in late 1981, it became clear that the assumptions concerning the level of economic activity for the 1981-83 biennium were no longer valid. On November 27, 1981 the Executive Department released a revenue forecast based on an economic model which reflected the declining levels of business activity in the nation and the State. This forecast showed that General Fund revenue collections would be approximately $237.1 million less for the 1981-83 fiscal period than was anticipated at the close of the Regular Session of the 1981 Legislature. Reduced state personal and corporate income taxes accounted for over 98% of the revenue shortfall.

The Governor called the Legislature into Special Session on January 18, 1982 to address the projected revenue shortfall and bring the budget back into balance as required by the Oregon Constitution. During its deliberations the Legislature was informed that the recession was longer and deeper than expected and that these negative economic conditions could further impact Oregon's General Fund revenue collections. To ensure that they were dealing with the full potential problem, the Legislature deferred final action on revenue and budget proposals until the Executive Department's revenue forecast of February 15, 1982 was released. Reflecting the more negative assumptions made by the Executive Department in the economic model, the revenue forecast revealed an additional $99.8 million projected shortfall. Therefore, the potential problem to be addressed by the Legislature totaled $336.9 million.

In the thirty-seven day Special Session the Legislature approved a variety of revenue increases and spending reductions to bring the General Fund budget into balance. Among the revenue measures were the following:

*A one-time increase in Oregon personal income tax rates of between 5% and 8%, depending on income level.

*A change in the schedule by which employers pay state taxes withheld from employe wages-now on same schedules as federal withholding.

*A revision in law that requires taxpayers appealing personal income, corporate excise or corporate income tax cases before the Oregon Tax Court to pay the tax delinquency, penalty, and interest before the appeal may be filed.

*An increase in cigarette taxes of 3¢ per pack (from 16¢ to 19¢), such increase to apply only during the 1981-83 biennium.

In all, the revenue enhancements adopted during the first 1982 Special Session total $194.2 million. Spending reductions of $126.5 million are detailed below:

*The appropriation for the Property Tax Relief (PTR) program was reduced $17.8 million for 1982-83. This lowered the maximum relief payment from $355 to $287. About 45% of households eligible for the program would be affected by this act.

*Funds appropriated for Basic School Support were cut by $16.3 million, a reduction from $455.5 million to $439.2 million (3.6%).

*State agencies' appropriations were reduced $88.0 million. Largest cuts included $48.7 million (6.4%) from Human Resources and $18.0 million (4.5%) from Higher Education.

*The State's Emergency Board appropriation was cut $15.0 million, with approximately $4.5 million expected to be recovered from refunds from the Restoration Fund.

On May 24, 1982, the Executive Department's third revenue forecast of the biennium reflected a continuation of the weak economic performance of past months. That forecast assumed a slower economic recovery than the previously anticipated and projected a $100.8 million General Fund revenue shortfall by June 30, 1983. Declines in personal and corporate income taxes accounted for $79.7 million and $18.7 million, respectively.

A second 1982 Special Session of the Legislature was scheduled to deal with the projected shortfall. As a result of considerable effort by the Governor and Legislative leaders, a compromise budget resolution program was developed prior to the full meeting of the Legislature. With this proposed solution forming the basis of their deliberations, legislators took only one day (June 14, 1982) to increase revenues by $31.0 million and reduce expenditures by $73.7 million. This resulted in a balanced budget with an anticipated balance carried forward on June 30, 1983, of $3.9 million.

The reduction in expenditures of $73.7 million was unscheduled in the agency budgets. The budget amounts as shown on page 31 of this report do not reflect the $73.7 million reduction. The agencies will be required to revert those unscheduled amounts prior to June 30, 1983, unless the Legislature authorizes the expenditure of funds.

Details of the June 14, 1982 budget-balancing package are provided below:

*Extension of higher income tax withholding rates. The income tax rates were increased between 5% and 8% by the first 1982 Special Session. Such rates are to be collected over the six months beginning July 1, 1982. Under this change, the withholding rates based on the higher tax rate will be extended through June 30, 1983.

*State agency appropriations were cut $10.0 million.

*State employe salary adjustments resulted in savings of $20.7 million.

*The Property Tax Relief (PTR) program appropriation was reduced by $30.0 million. This cut the maximum relief payment from $287 to $215 per household.

*The appropriation for Basic School Support was cut $13.0 million. The impact of this cut was to be offset in part by an accelerated distribution of $6.0 million from the Common School Fund.

The long-anticipated economic recovery failed to materialize in the summer of 1982 as national unemployment climbed toward record levels. In Oregon some positive developments were observed, but overall economic performance continued at levels below those anticipated in the May 24, 1982 forecast. This sluggish performance resulted in the need for an additional adjustment to the State's General Fund.

The August 24, 1982 quarterly revenue forecast indicated that the potential General Fund revenue shortfall would total $90.9 million. In response to this report the Governor and legislative leaders met to develop a plan to address the problem. The compromise package they devised called for $4 million in state agency budget cuts, a $10 million reduction in property tax relief, and a one-time $81.0 million reduction in the surplus of the State Accident Insurance Fund (SAIF).

SAIF was created as an independent public corporation in 1979 to provide workers compensation insurance. Insurance rates roughly comparable to private insurers and the benefits of tax-exempt status enabled SAIF to generate surplus funds of between $180 million and $200 million by August 1982. The legislature met on September 3, 1982, and determined to their satisfaction that such a revenue reduction would not impair the financial operations of SAIF.

Two laws were passed. The first law directs an $81 million transfer of the revenue surplus to the State General Fund. The second law indicates that if the surplus transfer is found to be illegal, a franchise tax of 44.5% of accumulated, declared surplus for calendar year 1982 will be assessed against SAIF. This tax will approximate $81 million.

The Legislature adopted the budget resolution package proposed by the Governor and legislative leaders which provides for an ending balance of approximately $8 million in the State General Fund.

Page 11 provides a detailed description of actions taken by the Legislature during the three 1982 Special Sessions.

MEASURES ADOPTED TO BALANCE GENERAL FUND BUDGET
($ in millions)

	First 1982 Special Session[1]	Second 1982 Special Session[2]	Third 1982 Special Session[3]
REVENUE INCREASES			
Personal Income Taxes:			
Decrease due to State employe salary reductions	$ -	$(1.8)	$ -
Income tax rate schedule increases	75.0	-	-
Speed-up of withholding tax payments	68.0	-	-
Increased collection of delinquent taxes	18.2	-	-
Payment of disputed taxes	1.6	-	-
Decrease due to property tax relief reduction	(0.7)	(1.2)	(0.3)
Extension of higher income tax withholding rate	-	34.0	-
Corporate Excise and Income Taxes:			
Increased collection of delinquent taxes	4.6	-	-
Payment of disputed taxes	6.4	-	-
Insurance Taxes:			
Authorized dedicated fund	(2.1)	-	-
Cigarette Taxes:			
Increase from 16¢ to 19¢ per pack	11.3	-	-
Liquor Apportionment:			
Liquor revenues	1.9	-	-
Interest Earnings:			
Due to withholding speed-up	1.2	-	-
Other:			
Loan repayment-Employment Division	1.5	-	-
Loan repayment-Insurance Division	2.8	-	-
Restoration Fund rebates	4.5	-	-
Transfers from State Accident Insurance Fund	-	-	81.0
TOTAL REVENUE ADDITIONS (NET)	$194.2	$31.0	$80.7
SPENDING REDUCTIONS			
Agency Budget Cuts	$ 88.0	$10.0	$ -
Reduction in Basic School Support	16.3	13.0	-
Reduction in Emergency Board Fund	15.0	-	-
Reduction in Property Tax Relief	17.8	30.0	10.1
State Employe Salary Reductions	-	20.7	-
Estimated Reversions	-	-	4.0
Increased Allocations:			
Economic Development	(2.1)	-	-
Staff for Revenue Department	(2.6)	-	-
Employment Division loan	(1.5)	-	-
Emergency Board Fund increase	(4.5)	-	-
TOTAL SPENDING REDUCTIONS (NET)	$126.5	$73.7	$14.1
ENDING BALANCE	$ 7.0	$ 3.9	$ 7.8

1 - Final action taken by Legislature - adopted and signed into law following first Special Session in 1982.
2 - Final action taken by Legislature - adopted and signed into law following second Special Session on June 14, 1982.
3 - Final action taken by Legislature - adopted and signed into law following third Special Session on September 3, 1982.

1. Summary of Significant Accounting Policies

a. Reporting Entity

The reporting entity of the State of Oregon includes all state agencies, universities, commissions, and boards for which the elected state officials have oversight responsibility. Oversight responsibility implies that the state officials have final decision making authority, designate who will manage day-to-day operations of the government activity or program, and significantly influence the operations. The governmental unit is dependent upon the elected state officials for fiscal decisions relative to adoption of budgets and funding of deficits.

All functions, programs, and activities that are controlled by or dependent upon the legislative or executive branch of the State of Oregon are included in this report. This includes the State Court system and the Retirement System.

Commodity commissions were originally established for the purpose of expanding the markets for specific commodities. The Department of Agriculture, a state agency, has general supervisory authority over the commodity commissions. However, ORS 576.311 exempts the commodity commissions from certain financial administration laws. Therefore, the financial information pertaining to agricultural commodity commissions is not included in this report.

The State Accident Insurance Fund Corporation, a public corporation since July 1, 1980, is no longer a state agency. Financial information of the corporation is not included in this report.

Local government programs are not included in this report. Authorities (housing, etc.) are not included in this financial report.

b. Basis of Presentation

The accompanying financial statements are prepared in conformity with generally accepted accounting principles (GAAP) applicable to state governments. The principal authority for accounting and reporting requirements in Oregon is the Executive Department through promulgation of Administrative Rules and the State Accounting Manual. The Department interprets the guidelines with respect to GAAP applicable to state governments presented by the National Council (Committee) on Governmental Accounting (NCGA), Statement 1: Governmental Accounting and Financial Reporting Principles, and Statement 2: Grant Entitlement, and Shared Revenue Accounting and Reporting by State and Local Governments, and "Audits of State and Local Governmental Units (ASLGU)," 1974 as published by the American Institute of Certified Public Accountants.

The Department of Higher Education accounting records are maintained using the generally accepted accounting principles prescribed by the National Association of College and University Business Officers in College and University Business Administration (CUBA, 1974). In order to conform with the financial statement presentation followed by other state agencies, Higher Education's financial data have been restructured.

c. State Accounting Funds

The nine fund types utilized in Oregon's financial report are:

Governmental Funds

(1) The General Fund accounts for ordinary operations financed by legislatively approved appropriations from general revenues and used for general governmental purposes. General Fund appropriation debt service and capital improvement or capital construction projects are reported in the Debt Service Fund or the Capital Project Fund, respectively.

(2) Special Revenue Funds account for the proceeds of specific revenue sources or finance specified activities as required by law or administrative regulations. Special Revenue Funds are established to account for taxes, licenses, and other revenue allocated by law to specific purposes. These revenues are collected by an agency and deposited in the State Treasury in the agency's own cash account. Expenditures are made from the account and are usually charged against a legislative approved limitation.

A Special Assessment Fund accounts for special assessments levied to finance public improvements or services deemed to benefit the properties against which the assessments are levied. Since only one Special Assessment Fund, Forest Protection, exists in the State of Oregon, this fund has been combined with the Special Revenue Funds.

(3) Debt Service Funds account for the accumulation of resources for and the payment of interest and principal on general obligation bonds. They include debt service funds provided by General Fund appropriation.

Most Debt Service Funds are essentially "flow-through" vehicles through which current period principal and interest requirements and payments are accounted. Such funds will have minimal (if any) fund balances at year-end. These funds reflect the liability for matured general obligation bonds which have not been redeemed.

(4) Capital Project Funds account for financial resources segregated for the construction or acquisition of major capital facilities. They include capital construction and capital improvements financed by General Fund appropriations.

A Capital Projects Fund is established upon project or debt issue authorization by the Legislature. All expenditures necessary to bring the facility in question to a state of readiness for its intended purpose are reported as Capital Project Fund costs. In addition to the direct cost of items such as land, buildings, materials, and labor, total project costs include such related items as engineering and architect fees, transportation costs, damages occasioned by the project, and other costs associated with the endeavor.

Upon completion of a project, the buildings, or other structures are recorded at cost in the General Fixed Asset Account Group or in the appropriate Proprietary Fund or Fiduciary Fund.

Proprietary Funds

(5) Enterprise Funds account for the provision of goods and services to the general public where all or most of the costs involved are primarily paid in the form of charges by the users of such services. Among the many types of self-supporting activities financed through Enterprise Funds are insurance operations, fair operations and liquor retailing operations. Issuance of revenue bonds to finance activity is also indicative of the self-supporting nature of an activity that should be accounted for through an Enterprise Fund.

(6) Internal Service Funds account for the financing of goods and services provided by an agency on a cost-reimbursement basis to any other governmental unit, whether state, federal, or local. Activities handled through Internal Service Funds vary widely both as to type and complexity of operation. Among the types are those used to acquire and distribute items of inventory such as office supplies or gasoline; operation of motor pools; duplicating and printing facilities; and repair shops and garages. Other examples are purchasing, accounting, auditing, and data processing services.

Fiduciary Funds

(7) A Trust Fund is established to account for assets received and held by an agency acting in capacity of trustee or custodian. An Agency Fund is established to account for assets received by an agency in its capacity as an agent for individuals, other funds, or other governmental organizations.

If an agency receives resources in a trust and agency capacity, the agency reports the resources in a trust and agency fund. This includes resources collected for redistribution to other funds in the same agency; to the general fund at the State Treasurer; or to other governmental units.

Trust funds have not been separated into non-expendable, expendable, or pension trusts as required by generally accepted accounting principles. The modified accrual basis of accounting has been utilized for all trust funds.

Revenues, transfers, and expenditures of agency funds have been included in the Combined Statement of Revenues and Combined Statement of Expenditures.

General Fixed Assets Account Group

(8) The General Fixed Asset Account Group is used to account for fixed assets acquired through governmental funds. Fixed assets acquired through Enterprise, Trust or Internal Service Funds are not general fixed assets, but are reported in the accounts of the acquiring fund.

Accumulated depreciation on general fixed assets is recorded in the general accounting records only when computed for rate determination or to meet other requirements.

General Long-Term Debt Account Group

(9) The General Long-Term Debt Account Group includes all general obligation bonds and long-term liabilities other than the self-supporting Oregon Veteran's bonds and Elderly Housing bonds included in the Enterprise Funds and long-term liabilities included in Internal Service, Enterprise and Trust Funds.

General obligation bonds are secured by full faith and credit of the State and are not deemed to be the obligation of any specific fund.

d. Basis of Accounting

The modified accrual basis of accounting is utilized in reporting for all governmental funds. The accrual basis is utilized in reporting for all proprietary funds. Fiduciary funds are reported using the modified accrual basis of accounting.

In accordance with Oregon's budget policy, all fund types are included in the budgetary related statements (Page 30 through 31).

Encumbrances, consisting of contingent liabilities for purchase orders, contracts, or salary commitments, and limited to those that will be liquidated by December 31, are reflected as reserves in the equity section of each fund and are included in the expenditure columns in the budgetary statements and schedules.

Budgetary control is at the legislatively approved limitation or appropriation level.

f. Investments

Investments for all funds are stated at cost in this financial report. Market values were not available at the time of this report.

	Cost (Expressed in Thousands)
Designated investments held by State Treasury (Page 78)	$2,797,711
Housing Division investments held by banks	100,401
Foreclosed property	20,262
SAIF investments included in State Treasury designated investments	720,199
Other	8,052
Total	$3,646,625

g. Inventories

Inventories are stated at cost utilizing the FIFO (first-in, first-out) costing method. Physical inventories are required to be taken annually.

In the proprietary funds (Internal Service and Enterprise), inventories are usually defined as the cost of goods held for resale.

In all other funds, inventories are considered the value of supplies on hand for use in the fund's operations.

h. Fixed Assets

The classes used for reporting fixed assets are:

Land, Buildings and Improvements
Leased Property
Construction in Process
Equipment and Machinery

Fixed assets utilized in proprietary fund activities are reported in the appropriate proprietary fund (Enterprise and Internal Service Funds) because the fixed assets are used in the production of the goods or services provided and sold. Depreciation of these fixed assets is recorded to determine total expenses, net income, and whether the fund's capital has been impaired.

Fixed assets other than those accounted for in the proprietary funds are general fixed assets. General fixed assets belong to the state government as an instrumentality, and are not accounted for in the governmental funds. They may be acquired by gift or by expenditure from several sources and funds. General fixed assets are reported in the General Fixed Asset Account Group.

Fixed assets are reported at cost or estimated cost if the original cost is not determinable. Donated fixed assets are reported at their estimated fair market value at the time received. Land costs include 1,392,977 acres of forest and other lands valued at one dollar per acre.

Roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are normally immovable and of value only to the governmental unit. For this reason and the fact that accurate cost figures are not maintained, these fixed assets, including the statewide highway system, are excluded from this report. Oregon's airports, however, are included in the Land, Buildings and Improvements category.

Fixed assets costing less than $100 are excluded unless an agency has elected to include them in their property records for control purposes.

Leased property includes leasehold improvements and capital leases of real property. Offsetting obligations relative to capital leases are reported along with lease purchase obligations in Lease Contracts Payable.

Some of the buildings, such as the one occupied by the Employment Division, were either paid for or are being leased utilizing, at least in part, federal funds which may create a federal equity in the property. Any federal equities in the State's fixed assets cannot be determined at this time and are not reflected in the following financial statements.

i. Depreciation and Amortization

The recording of depreciation or amortization of fixed assests of proprietary funds (Enterprise Funds and Internal Service Funds) is required and is included in those funds in this report.

The recording of depreciation or amortization of general fixed assets of governmental funds is optional, but if it is calculated for any reason, then it is recorded in the accounts of the General Fixed Assets Account Group and is included in that section of this report.

Depreciation Methods: Use of accelerated methods of depreciation such as the declining balance and sum-of-years digits methods is not recommended in Oregon fund accounting. Any generally accepted method an agency is required to use to meet requirements of the federal government or other organization for rate determination or cost recovery purposes is acceptable; otherwise, one of the two following methods is used:

Straight-line Depreciation which provides for the distribution of the cost evenly over the life of the buildings or equipment.

Working Hour Method which provides for the distribution of costs over the estimated useful hours or days of a piece of equipment.

Amortization is used to distribute the cost of leased property over the life of the property or period of the lease, whichever is shorter.

2. Accounting Records and Audit Policy

Most basic accounting data are initiated at the agency level. Accounting records are maintained by the state agencies using hand-posted systems, bookkeeping machines, and the majority by computer data processing systems.

There are various data processing systems throughout the State of Oregon. The largest, in terms of number of state agencies using the system, is the Executive Department Accounting System. Currently, over seventy agencies use that system. The next largest system, the Department of Higher Education system, includes eighteen agencies, most of which are state universities.

The Secretary of State, as State Auditor, audits the accounts and financial affairs of each state agency not less often than once for each three-year period under ORS 297.210. A copy of the report on each audit is submitted to the Governor, the Legislative Fiscal Officer, and to the Executive Department. The report lists deficiencies in the financial statements, accounting records, or internal control procedures, most of which require corrective action by the agency. Where deficiencies exist, the Executive Department requires a report of the corrective action taken or to be taken by the agency. For more information on this procedure, see Executive Department Administrative Rule 15-050-01 "Audit Review and Corrective Procedures."

3. Cash on Deposit - State Treasury

This account represents all cash on deposit with the State Treasurer. The State Treasury, acting as a bank, invests the deposited moneys in various cash items, short-term receivables and long-term investments. An analysis of this account and a list of the investments by classification appears in the Supplemental Information section, pages 76 through 78 .

4. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

(Expressed in Thousands)

	Balance 7-1-81	Net Change	Balance 6-30-82
Land, Buildings and Improvements	$1,042,586	$ (27,534)	$1,015,052
Leased Property	794	26	820
Construction in Process	1,700	1,700	3,400
Equipment and Machinery	293,083	14,943	308,026
Total	$1,338,163	$ (10,865)	$1,327,298

5. Summary of Proprietary Fund Fixed Assets

A summary of proprietary fund fixed assets at June 30, 1982 follows:

	Enterprise	Internal Service
Land, Buildings, and Improvements	$ 54,928	$ 58,798
Leased Property	10	1,068
Construction in Process	-	449
Equipment and Machinery	12,342	86,548
	$ 67,280	$ 146,863
Less: Allowance for Depreciation and Amortization	(35,041)	(56,200)
Net	$ 32,239	$ 90,663

6. Pension Plan for State Employes

Pursuant to Oregon Revised Statutes Chapter 237, after six months trial service with the State of Oregon, all employes must belong to the Oregon Public Employes Retirement System. The Oregon Public Employes Retirement System collects contributions from both employers and employes for the purpose of funding retirement benefits (called "retirement allowances"). The system covers approximately 124,000 State and local government Oregon employes and 35,000 retired employes or their beneficiaries. The system is administered by the Oregon Public Employe Retirement Board.

Employe contributions are collected to fund an annuity portion of retirement allowances. Annuities are based on the actual amount of principal and interest accumulated by each employe in his or her account. Effective July 1, 1979 Oregon law changed allowing the State of Oregon to make the employe contribution for most state employes.

Employer contributions are used to fund a pension portion of retirement allowances. The pension portion is based on a statutory formula and is set according to employe's final average salary and term of service. The pension portion of the allowance is paid exclusively out of interest and principal accumulations from employer contributions.

The system's pension program is a defined benefit plan, and requires periodic actuarial review. Under ORS237, this review must be performed at least every four years.

The most recent actuarial valuation of PERS (as of December 31, 1979) indicated that there was an unfunded liability for benefits due current employe participants in the plan. That unfunded liability for the State of Oregon as of December 31, 1979, the latest date for which such information is available from the Retirement Board, was $36,700,000 after taking into account PERS assets allocated to the State of Oregon of $224,100,000. In order to liquidate the unfunded liability over a 30-year period, and adequately fund present benefits provided by the plan, an adjustment in employer contribution rates was determined by the Board to be necessary. The present value of nonforfeitable benefits as presented in PERS financial statements as of December 31, 1980, is $90,500,000.

The employer contribution rate adopted by the PERS Board for State agencies became 10.55% on July 1, 1980 increased to 11.01% January 1, 1982, will increase to 11.62% on January 1, 1983, and will increase to 12.23% on January 1, 1984.

The financial information regarding the Oregon Retirement System is shown in the Trust and Agency Funds.

STATE OF OREGON
OREGON PUBLIC EMPLOYES RETIREMENT SYSTEM

Year	State Contribution To Fund	Percent Increase	Number Active State Members	Percent Increase
1967	$ 4,753,792	--	27,007	--
1968	$ 5,580,723	17.40%	27,141	.50%
1969	$ 10,798,679	93.50	27,773	2.33
1970	$ 11,931,387	10.49	28,735	3.45
1971	$ 13,061,551	9.47	29,822	3.78
1972	$ 14,088,263	7.86	30,621	2.68
1973	$ 21,735,491	54.28	31,014	1.28
1974	$ 23,910,839	10.01	33,099	6.72
1975	$ 28,059,467	17.35	35,191	6.32
1976	$ 32,943,567	17.41	35,111	-.23
1977	$ 36,425,539	10.57	35,951	2.39
1978	$ 42,270,175	16.05	36,172	.61
1979	$ 52,689,213	24.60	36,757	1.61
1980	$ 63,896,322	21.27	37,935	3.20
1981	$ 73,555,141	15.12	37,604	-.87

Source: Oregon Public Employes Retirement System

7. Deferred Compensation

A deferred compensation program was authorized under IRC 457 and ORS 243.400 to 243.495. It is a benefit available to all state employes wherein they may execute an individual agreement with the state for amounts earned by them to be paid at a future date. Participants in the program are not required to pay federal and state income taxes on the deferred earnings until it is received. Participants cannot receive the funds until certain circumstances are met. These circumstances are termination by reason of death; disability; resignation; or retirement. Payments may be made over a period not to exceed the life expectancy of the participant and/or spouse.

Moneys accumulated by the state under its deferred compensation plan have been transferred to the Executive Department for deposit with various financial institutions and insurance companies. These deposits are not subject to the collateral requirements of Oregon Law.

Amounts accumulated by the state under the deferred compensation plan are excluded from resources for budgetary purposes. Such amounts represent a general liability of the state to its employes whose rights are equal to but not greater than the rights of other general creditors with respect to such amounts. Similarly, disbursement of funds to employes under the plan, once circumstances of termination occur, are not included as expenditures for budgetary purposes See Trust Funds, page 67.

8. Employe Leave

It is the State's policy to record the cost of employe leave at the time that the leave is paid. State employes earn annual leave ranging from 8 to 16 hours per month with a maximum leave accumulation of 250 hours per employe. The annual leave accumulations do not cause additional costs to the State until the employe terminates -- then the employe is paid for the amount of annual leave that has accrued in his payroll records.

Sick leave is earned at a rate of 8 hours per month with no limit on the maximum accumulation. The employe is paid when absent due to illness, injury, or a related family problem. Sick leave accumulations only cost the State of Oregon to the extent that amounts are paid to employes even though work is not performed during the period that the employe is absent from work. When the employe terminates, all sick leave accumulations are rescinded. When an employe retires, however, one-half of the value of his unused sick leave is used in computing retirement benefits.

Each employe may also be paid an additional 8 hours per year for any personal occurances that may cause him to be absent from work. This personal leave cannot accumulate from year to year.

Because of the variables (i.e. salary rate, leave accrual rate, etc.) involved in computing the employe leave for the State of Oregon, and the lack of any reporting method, we cannot determine the contingent liability at June 30, 1982.

9. Leases

Financial reporting and accounting procedures differ between leases and lease-purchase agreements. Lease payments are chargeable as services and supplies expenditures; lease-purchase principal payments are chargeable as capital outlay expenditures. Lease-purchase agreements are considered purchase contracts, and the liability is recorded in the financial statements.

The state has entered into various leases for buildings and equipment. Operating leases at June 30, 1982 included the following:

1. Building space including office and warehouse space - approximately 2,738,000 square feet at an average monthly rental of $953,240. (Average square feet cost = $.385)

2. Equipment and machinery rental and lease payment information was not determinable at the time of this report.

If the Oregon Legislature should disallow the necessary funding for particular leases, all lease agreements contain termination clauses which provide for cancellation of the lease at the end of a fiscal year. The liability for capital leases of real property is included in the financial report.

The minimum rental obligations for the next five years are:

Fiscal year ending	June 30, 1983	$9,711,927
	June 30, 1984	$6,609,452
	June 30, 1985	$4,585,540
	June 30, 1986	$3,228,384
	June 30, 1987	$2,460,871

Lease contract obligations decrease each year because of lease expirations. It is expected these leases will be replaced with leases which have higher rental rates due to inflationary pressures.

10. Long-term Debt

An analysis of bonded debt is included in the Supplemental Summary Section on pages 76 through 89 of this report. The annual debt service requirements for the general obligation bonds and Housing Division revenue bonds are on pages 82 and 87 of this report.

Bonds payable at June 30, 1982 follows:

General obligation bonds:	
General Fund	$ 231,438
Dedicated Funds	5,351,968
Total	$5,583,406
Revenue bonds:	
Housing Division	385,435
Economic Development Department	143,254
Total Bonds Payable	$6,112,095

The $90 million in tax exempt commercial paper in the "Analysis of General Obligation Debt" on page 86 is a short-term obligation and is included in the appropriate financial statements under the Accounts Payable classification.

11. Revenue Bonds

The Summary of Outstanding Debt and Constitutional and Statutory Provisions on page 87 in the Supplemental Information section of this report lists three types of outstanding revenue bond obligations.

The single-family and project financing bonds were issued to finance housing projects managed by the Department of Commerce, a state agency. The bond proceeds and all resulting transactions are recorded in the agency accounting records and are included in the financial statements of this report.

The Economic Development Commission issues industrial development revenue bonds to finance construction of industrial facilities. The facilities are then leased to the industrial users. The bonds are not a liability or contingent liability of the State. However, since the Commission is considered part of this reporting entity, the asset and liability balances are included in the financial statements of the report. However, the financial transactions were not included in the accounting records of the Department of Economic Development.

The Mass Transportation Financing Authority also issues revenue bonds. However, the Authority is not considered part of this reporting entity; therefore, the bond liability is not included in the financial statements of this annual report.

12. Interfund Receivables and Payables

A summary of interfund receivables and payables at June 30, 1982 follows:

	(Expressed in Thousands) Receivables	Payables
General Fund	$ 91,503	$ 5,500
Special Revenue Funds	40,596	19,659
Debt Service Funds	5,169	5,151
Capital Projects Funds	197	63
Enterprise Funds	151	330
Internal Service Funds	266	3,003
Trust and Agency Funds	21,754	125,930
Total	$159,636	$159,636

13. Unemployment Benefits

State departments are subject to the Department of Employment Act. State employes who qualify are entitled to benefit payments during periods of unemployment. Each state department is required to reimburse the Employment Division for benefit payments made to their former employes. There appears to be no practical method of estimating the amount of future benefit payments which may be made to former employes for wage credits earned prior to June 30. Consequently, this potential obligation is not included in the accompanying financial statements.

14. Insurance

Insurance programs are administered for the State of Oregon by the Services Division of the Department of General Services. Various specific insurance policies are available to State agencies when the agency has a particular insurance requirement that must be dealt with. The following statewide insurance coverage is available to all State agencies:

Blanket Honesty and Faithful Performance Bond All employes, including elected officials and members of boards and commissions are covered. Currently this Blanket Bond covers the limits of liability in the amount of $100,000 per incident. It also covers the Director of the Department of Transportation and all members of the State Treasurer's office to the liability limit of $200,000 per incident.

General Liability and Vehicle Liability Self-Insurance The tort liability of the State, its officers, employes, and agents, including members of boards and commissions, is self-insured under ORS 30.260 to ORS 30.300. The State is also self-insured for vehicle liability whether the operated vehicle is owned, commercially leased, or controlled. The limits of liability are:

1. $50,000 to any claimant for any number of claims for damage to or destruction of property, including consequential damages arising out of single accident or occurrence.

2. $100,000 to any claimant for all other claims arising out of a single accident or occurrence.

3. $300,000 for any number of claims arising out of a single accident or occurrence.

Restoration Fund Insurance This is a self-insurance property damage or loss program to protect all State property from specific types of losses as provided in ORS 278.020. The Restoration Fund has catastrophic reinsurance to insure the stability of the fund. This additional commercial policy has limits of $35,000,000 with a $5,000,000 maximum on flood. A $10,000 deductible applies to each and every loss with an annual aggregate deductible of $3,000,000 before the policy comes into effect. The $10,000 deductible continues to apply to every loss after the $3,000,000 aggregate is satisfied.

15. Litigation

Contingent liability for pending lawsuits has not been determined at June 30, 1982.

16. General Fund - Fund Equity Deficit

The equity in this fund should be brought back to a positive figure by:

a. A $73 million dollar budgetary expenditure reduction.

b. An $81 million dollar transfer from the State Industrial Accident Fund.

Neither of these items are reflected in the attached financial statements since they were still pending at the time of the report.

The State General Fund at the State Treasury is not in an overdraft condition as, by law, it includes the cash from other activities which are classified as Special Revenue Funds in this report.

STATE OF OREGON
COMBINED BALANCE SHEET
ALL FUNDS AND ACCOUNT GROUPS
June 30, 1982

(Expressed in Thousands)

	TOTALS (MEMO ONLY)		GOVERNMENTAL FUNDS	
	1981	1982	GENERAL	SPECIAL REVENUE
ASSETS				
Cash on Hand and in Banks	$ 9,559	$ 2,997	$ -	$ 88
Cash on Deposit - State Treasury (Note 3)	1,023,176	788,780	(257,447)	153,963
Cash with Fiscal Agent	2,190	2,871	-	-
Investments - State Treasury (Note 1f)	2,443,468	2,797,711	39,602	76,569
Investments - Other (Note 1f)	795,815	848,914	5,596	22
Securities Held in Trust	515,791	602,583	-	10,156
Receivables	385,562	251,997	-	66,630
Interfund Receivables (Note 12)	79,524	159,636	91,503	40,596
Inventories (Note 1 g)	49,760	50,965	6,942	15,387
Prepaid and Deferred Expenses	5,183	2,658	-	2,335
Discount on Bonds Sold	5,704	11,675	-	-
Contracts, Mortgage and Notes Receivable	5,697,204	6,028,554	6,111	185,956
Land, Buildings and Improvements (Note 1h,4,5)	1,097,825	1,134,304	-	-
Leased Property (Note 1h, 9)	2,272	1,898	-	-
Construction in Process	21,751	3,849	-	-
Equipment and Machinery	378,847	407,515	-	-
Allowance for Depreciation (Note 1i)	(77,984)	(116,627)	-	-
Amortization of Leased Property	(491)	-	-	-
Available for Retirement of L-T Debt	52,809	61,475	-	-
To be Provided for Payment of L-T Debt	353,431	321,701	-	-
To be Provided for Payment of L-T Liabilities	85,458	79,486	-	-
Total Assets	$12,826,854	$13,442,942	$ (107,693)	$ 551,702
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts and Interest Payable	$ 178,714	$ 395,165	$ 40,457	$ 28,157
Interfund Payables (Note 12)	79,524	159,636	5,500	19,659
Trust Funds Payable	1,381,814	1,516,958	-	12,091
Contracts, Mortgages and Notes Payable	82,482	86,270	-	-
Obligation Under Capital Lease	10,973	11,753	-	-
Advances from General Fund	4,779	2,341	-	-
Matured Bonds Payable	2,307	2,900	-	-
General Obligation Bonds Payable (Note 10)	5,523,265	5,583,406	-	-
Revenue Bonds Payable (Note 10, 11)	376,490	528,689	-	-
Premium on Bonds	21,217	20,026	-	-
Deferred Income	29,238	21,218	-	18,892
Total Liabilities	$ 7,690,803	$ 8,328,362	$ 45,957	$ 78,799
Fund Equity:				
Reserve for Encumbrances	$ 333,907	$ 78,359	$ 14,688	$ 53,725
Reserve for Receivables	416,948	434,278	6,111	185,956
Reserve for Inventories	19,210	22,413	6,942	15,387
Reserve - Other	1,703	1,930	-	1,567
Reserve for Trust Funds	2,536,480	2,796,985	-	-
Invested in Fixed Assets	1,320,026	1,308,037	-	-
Retained Earnings	304,113	345,102	-	-
Fund Balance	203,664	127,471	(181,391)	216,268
Total Fund Equity	$ 5,136,051	$ 5,114,580	$ (153,650)	$ 472,903
TOTAL LIABILITIES AND EQUITY	$12,826,854	$13,442,942	$ (107,693)	$ 551,702

Prepared without audit - see letter of transmittal for comments.

GOVERNMENTAL FUNDS		PROPRIETARY FUNDS		TRUST	ACCOUNT GROUPS	
DEBT SERVICE	CAPITAL PROJECT	ENTERPRISE	INTERNAL SERVICE	AND AGENCY	GEN. FIXED ASSETS	GEN. LONG TERM DEBT
$ -	$ -	$ 2,239	$ 3	$ 667	$ -	$ -
8,668	9,242	272,679	20,751	580,924	-	-
2,871	-	-	-	-	-	-
51,480	24,322	149,789	26,004	2,429,945	-	-
-	148	119,993	-	723,155	-	-
-	671	-	-	591,756	-	-
1,378	1,279	47,441	8,077	127,192	-	-
5,169	197	151	266	21,754	-	-
-	-	19,467	9,080	89	-	-
-	-	308	15	-	-	-
-	-	11,675	-	-	-	-
-	-	5,593,031	1,245	242,211	-	-
-	-	54,928	58,798	5,526	1,015,052	-
-	-	10	1,068	-	820	-
-	-	-	449	-	3,400	-
-	-	12,342	86,548	599	308,026	-
-	-	(35,041)	(56,200)	(152)	(25,234)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	61,475
-	-	-	-	-	-	321,701
-	-	-	-	3	-	79,483
$ 69,566	$ 35,859	$6,249,012	$ 156,104	$4,723,669	$1,302,064	$ 462,659
$ -	$ 266	$ 269,651	$ 1,963	$ 54,671	$ -	$ -
5,151	63	330	3,003	125,930	-	-
-	671	6,900	60	1,497,236	-	-
-	-	8,627	5,553	3	-	72,087
-	-	-	6,698	-	-	5,055
-	-	-	-	-	-	2,341
2,900	-	-	-	-	-	-
-	-	5,200,230	-	-	-	383,176
-	-	528,689	-	-	-	-
-	-	20,026	-	-	-	-
40	-	2,219	-	67	-	-
$ 8,091	$ 1,000	$6,036,672	$ 17,277	$1,677,907	$ -	$ 462,659
$ -	$ 3,740	$ 2,007	$ 4,058	$ 141	$ -	$ -
-	-	-	-	242,211	-	-
-	-	-	-	89	-	-
-	-	-	-	363	-	-
-	-	-	-	2,796,985	-	-
-	-	-	-	5,973	1,302,064	-
-	-	210,333	134,769	-	-	-
61,475	31,119	-	-	-	-	-
$ 61,475	$ 34,859	$ 212,340	$ 138,827	$3,045,762	$1,302,064	$ -
$ 69,566	$ 35,859	$6,249,012	$ 156,104	$4,723,669	$1,302,064	$ 462,659

STATE OF OREGON
COMBINED STATEMENT OF REVENUES
ALL GOVERNMENTAL FUNDS AND TRUST AND AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1982

(Expressed in Thousands)

	TOTALS (MEMO ONLY)	
	1981	1982
Revenue		
Income Taxes	$1,165,122	$1,093,073
Selective Sales and Use Taxes	183,960	203,031
Gross Receipts Business Taxes	40,374	40,216
Employer - Employe Taxes	310,690	373,345
Inheritance and Gift Taxes	35,427	42,216
Severance Taxes	56,626	47,624
Other Taxes	4,431	6,846
Business Licenses and Fees	26,008	21,806
Non-Business Licenses and Fees	74,777	86,658
Federal Revenues	1,078,517	771,372
Charges for Services	243,558	225,814
Fines and Forfeitures	5,641	6,850
Rents and Royalties	5,412	10,835
Interest Income	214,679	263,830
Sales Income	90,782	95,283
Donations and Grants (Non-Federal)	28,434	35,803
Contributions - Retirement	632,452	700,085
Loan Repayments	15,550	8,356
Other Revenue	40,883	61,036
Total Revenue	$4,253,323	$4,094,079
Other Financing Sources (Uses)		
Transfers In	$1,538,818	$1,665,211
Transfers Out	(1,531,220)	(1,619,847)
Bond Proceeds	59,303	11,142
Total Other Financing Sources (Uses)	$ 66,901	$ 56,506
Net Revenue	$4,320,224	$4,150,585

Prepared without audit - see letter of transmittal for comments.

GOVERNMENTAL FUNDS				TRUST AND AGENCY FUNDS
GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	
$1,093,073	$ -	$ -	$ -	$ -
39,940	1,420	-	-	161,671
32,913	3,720	-	-	3,583
-	128,166	-	-	245,179
42,216	-	-	-	-
1,744	-	-	-	45,880
-	-	-	-	6,846
4,181	15,540	-	-	2,085
2,500	31,462	-	-	52,696
131	636,140	205	2,912	131,984
4,543	217,426	2,425	-	1,420
5,052	1,798	-	-	-
-	3,862	21	1,449	5,503
23,872	24,111	19,731	915	195,201
42,386	38,716	8	-	14,173
-	33,644	-	642	1,517
-	-	-	-	700,085
-	(18)	3,419	-	4,955
1,981	37,148	667	2,315	18,925
$1,294,532	$1,173,135	$ 26,476	$ 8,233	$1,591,703
$ -	$1,145,800	$ 33,828	$ 7,825	$ 477,758
(8,608)	(217,630)	(15,553)	-	(1,378,056)
-	(568)	-	11,710	-
$ (8,608)	$ 927,602	$ 18,275	$ 19,535	$ (900,298)
$1,285,924	$2,100,737	$ 44,751	$ 27,768	$ 691,405

STATE OF OREGON
COMBINED STATEMENT OF EXPENDITURES
ALL GOVERNMENTAL FUNDS AND TRUST AND AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1982

(Expressed in Thousands)

	TOTALS (MEMO ONLY)	
	1981	1982
Expenditures by Budget Category		
Personal Services	$ 825,219	$ 834,259
Services and Supplies	549,827	554,680
Capital Outlay	55,655	40,792
Special Payments	2,100,062	2,326,501
Debt Service	35,413	36,792
Non-Limited	247,207	429,294
Total Expenditures	$3,813,383	$4,222,318
Expenditures by Program Area		
Economic Development and Consumer Services	$ 114,379	$ 145,588
Education	1,477,875	1,544,164
Human Resources	1,150,996	1,376,029
Natural Resources	82,121	132,575
Public Safety	48,868	54,481
Transportation	384,103	371,827
Administration and Support	531,607	573,659
Legislative	12,016	11,124
Judicial	11,418	12,871
Total Expenditures	$3,813,383	$4,222,318

Prepared without audit - see letter of transmittal for comments.

	GOVERNMENTAL FUNDS			TRUST AND AGENCY FUNDS
GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	
$ 336,739	$ 493,325	$ -	$ 84	$ 4,111
89,584	454,320	(61)	6,876	3,961
10,218	15,475	-	15,077	22
1,051,181	854,977	-	-	420,343
104	542	36,146	-	-
-	427,269	-	-	2,025
$1,487,826	$2,245,908	$ 36,085	$ 22,037	$ 430,462
$ 14,116	$ 130,766	$ -	$ 95	$ 611
693,162	812,854	16,274	13,906	7,968
390,813	855,090	-	660	129,466
19,379	76,341	12,799	3,861	20,195
42,775	11,687	-	19	-
7,141	351,954	7,012	180	5,540
298,165	5,496	-	3,316	266,682
9,622	1,502	-	-	-
12,653	218	-	-	-
$1,487,826	$2,245,908	$ 36,085	$ 22,037	$ 430,462

STATE OF OREGON
COMBINED STATEMENT OF CHANGES
IN FUND EQUITY
ALL GOVERNMENTAL FUNDS AND TRUST AND AGENCY FUNDS

(Expressed in Thousands)

Fund Equity - June 30, 1981		$ 3,512,348
Prior Period Adjustments		(1,458)
Excess of 1981-82 Revenues Over Expenditures		
Revenues	$4,150,585	
Less Expenditures	4,222,318	(71,733)
		$ 3,439,157
Changes in Reserves		
Increase in Reserve for Receivables	17,330	
Increase in Reserve for Inventories	3,208	
Increase in Other Reserves	1,654	22,192
Fund Equity - June 30, 1982		$ 3,461,349

Prepared without audit - see letter of transmittal for comments

STATE OF OREGON
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - ALL PROPRIETARY FUNDS
FISCAL YEAR ENDED JUNE 30, 1982

	Totals - (Memo only)		Proprietary Funds	
	1981	1982	Enterprise	Internal Service
Operating Revenue				
Sales - Net	$ 53,665	$ 44,060	$ 39,486	$ 4,574
Taxes and Licenses	13,995	13,112	12,999	113
Federal Revenue	753	771	703	68
Charges for Services	178,621	237,495	114,991	122,504
Rents and Royalties	13,375	11,065	958	10,107
Interest Income	378,534	403,357	399,223	4,134
Other Revenue	9,241	5,227	3,162	2,065
Total Operating Revenues	$648,184	$715,087	$571,522	$143,565
Operating Expenses				
Personal Service	$ 91,075	$162,744	$109,312	$ 53,432
Services and Supplies	130,998	136,582	57,565	79,017
Special Payments	596	31,487	31,487	-
Debt Service	334,660	351,538	350,933	605
Depreciation	6,184	9,482	2,060	7,422
Total Operating Expenses	$563,513	$691,833	$551,357	$140,476
Net Operating Income (Loss)	$ 84,671	$ 23,254	$ 20,165	$ 3,089
Operating Transfers In (Out)	(23,393)	13,939	14,945	(1,006)
Net Income	$ 61,278	$ 37,193	$ 35,110	$ 2,083
Fund Equity Beginning	269,800	308,223	171,020	137,203
Adjustment of Fixed Asset Evaluations	(12,801)	3,824	3,824	-
Write Off of State Accident Insurance Fund	(10,054)	-	-	-
Prior Period Adjustments	-	1,927	2,386	(459)
Fund Equity Ending	$308,223	$351,167	$212,340	$138,827

Prepared without audit - see letter of transmittal for comments

STATE OF OREGON
COMBINED STATEMENT OF CHANGES
IN FINANCIAL POSITION - ALL
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1982

	Totals (Memo Only)	Proprietary Funds	
		Enterprise	Internal Service
Sources of Working Capital			
Operations:			
Net Income	$ 37,193	$ 35,110	$ 2,083
Add Depreciation/Amortization not Requiring Expenditure of Funds	9,482	2,060	7,422
Total	$ 46,675	$ 37,170	$ 9,505
Increase in Long-Term Liabilities	245,379	244,175	1,204
Decrease in Long-Term Receivables	260,418	260,273	145
Total Provided	$ 552,472	$ 541,618	$ 10,854
Uses of Working Capital			
Increase in Fixed Assets	$ 8,019	$ 807	$ 7,212
Increase in Long-Term Receivables	511,598	511,598	-
Decrease in Long-Term Liabilities	168,170	166,812	1,358
Net Assets Acquired from Other Funds	14,134	14,134	-
Total Applied	$ 701,921	$ 693,351	$ 8,570
Net Increase (Decrease) in Working Capital	$(149,449)	$(151,733)	$ 2,284
Elements of Net Increase (Decrease) in Working Capital			
Cash	$ (18,773)	$ (22,676)	$ 3,903
Investments	21,093	18,105	2,988
Receivables	6,858	5,391	1,467
Inventories	(2,003)	1,002	(3,005)
Prepaid Expenses	5,879	5,879	-
Payables	(162,404)	(159,335)	(3,069)
Trust Funds Payable	(680)	(680)	-
Deferred Income	581	581	-
Net Increase (Decrease) in Working Capital	$(149,449)	$(151,733)	$ 2,284

Prepared without audit - see letter of transmittal for comments

STATE OF OREGON
COMBINED STATEMENT OF REVENUES
ESTIMATED (NON-GAAP BASIS) AND ACTUALS
1981-83 BIENNIUM

(Expressed in Thousands)

All Funds	1981-83 Estimate	First Year Actuals	Second Year Expected	Percent Collected First Year
Income Taxes	$2,448,128	$1,093,073	$1,355,055	
Selective Sales and Use Taxes	464,364	213,593	250,771	
Gross Receipts Business Taxes	76,839	40,338	36,501	
Employer - Employe Taxes	140,650	317,043	(176,393)	
Inheritance and Gift Taxes	64,600	42,216	22,384	
Severance Taxes	116,212	47,625	68,587	
Other Taxes	6,323	6,846	(523)	
Business Licenses and Fees	52,715	27,642	25,073	
Non-Business Licenses and Fees	198,267	82,492	115,775	
Federal Revenues	1,436,355	910,698	525,657	
Charges for Services	677,790	464,000	213,790	
Fines and Forfeitures	20,119	7,187	12,932	
Rents and Royalties	37,534	21,937	15,597	
Bond Sales	1,675,940	251,100	1,424,840	
Interest Income	1,232,303	683,229	549,074	
Sales Income	613,400	233,695	379,705	
Cost of Goods Sold	(164,093)	(80,157)	(83,936)	
Donations and Grants (Non-Federal)	4,299	36,225	(31,926)	
Contributions	1,293,991	700,085	593,906	
Loan Repayments	686,564	268,507	418,057	
Other Revenue	163,699	68,917	94,782	
Loan Proceeds	-	4,785	(4,785)	
Revenue Transfers (Net)	(1,028,069)	46,758	(1,074,827)	
Total All Funds	$10,217,930	$5,487,834	$4,730,096	53.7%
Allocation by Budget Authority				
General Fund	$2,764,583	$1,294,534	$1,470,049	46.8%
Other Funds	6,389,153	2,321,132	4,068,021	36.3%
Federal Funds	1,064,194	478,003	586,191	44.9%
Non-Limited Funds	-	1,394,165	-	-
Total by Budget Authority	$10,217,930	$5,487,834		

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
COMBINED STATEMENT OF BUDGETED (NON-GAAP BASIS) AND ACTUAL
EXPENDITURES BY BUDGET AUTHORITY
1981-83 BIENNIUM

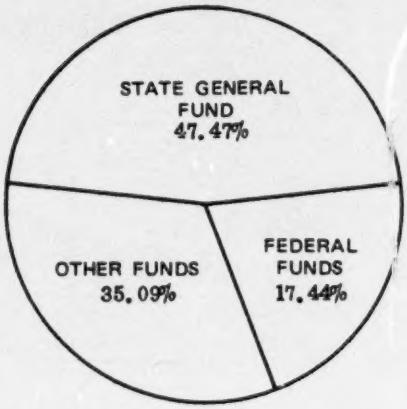
(Expressed in Thousands)

	1981-83 BUDGET	FIRST YEAR ACTUALS	AVAILABLE SECOND YEAR	PERCENT
State General Fund Expenditures				
Personal Services	$ 697,742	$ 362,855	$ 334,887	
Services and Supplies	203,448	88,470	114,978	
Capital Outlay	16,316	10,704	5,612	
Special Payments	2,024,750	1,009,738	1,015,012	
Debt Service	15,052	5,772	9,280	
Total General Fund	$ 2,957,308	$ 1,477,539	$ 1,479,769	50.0%
Other Fund Expenditures				
Personal Services	$ 916,450	$ 418,665	$ 497,785	
Services and Supplies	996,247	439,940	556,307	
Capital Outlay	114,109	23,098	91,011	
Special Payments	138,147	42,327	95,820	
Debt Service	20,944	9,512	11,432	
Total Other Funds	$ 2,185,897	$ 933,542	$ 1,252,355	57.3%
Federal Fund Expenditures				
Personal Services	$ 269,922	$ 118,379	$ 151,543	
Services and Supplies	94,846	40,565	54,281	
Capital Outlay	23,608	2,473	21,135	
Special Payments	698,101	326,840	371,261	
Total Federal Funds	$ 1,086,477	$ 488,257	$ 598,220	55.1%
Non-Limited Fund Expenditures				
Personal Services		$ 95,283		
Services and Supplies		143,010		
Capital Outlay		9,811		
Special Payments		1,805,799		
Debt Service		575,489		
Other		3,133		
Total Non-Limited Funds		$ 2,632,525		
TOTAL EXPENDITURES		$ 5,531,863		

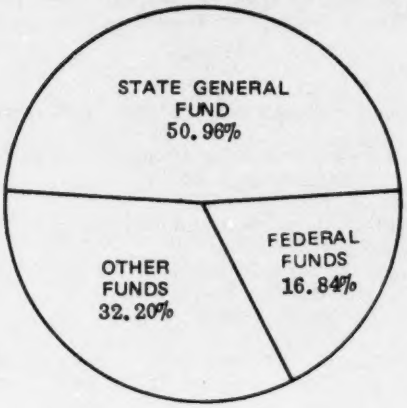
Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
EXPENDITURE BY
BUDGET AUTHORITY
(EXPRESSED IN THOUSANDS)

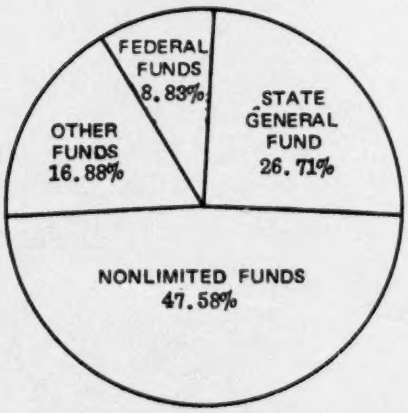
1981-83
REVISED BIENNIAL BUDGET
EXCLUDING NONLIMITED FUNDS
$6,229,682



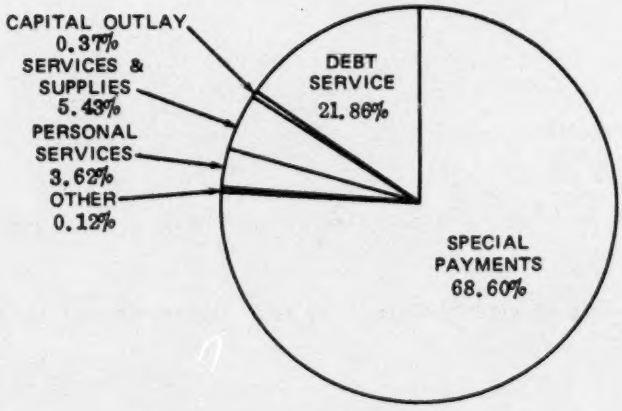
1981-82
ACTUAL EXPENDITURES
EXCLUDING NONLIMITED FUNDS
$2,899,338



1981-82
ACTUAL EXPENDITURES
INCLUDING NONLIMITED FUNDS
$5,531,863



1981-82
ACTUAL EXPENDITURES
NONLIMITED FUNDS ONLY
$2,632,525



STATE OF OREGON
RECONCILIATION OF BUDGETARY REVENUE TO
REVENUE REPORTED IN THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1982

(Expressed in Thousands)

Budgetary Revenue - 1981-83 Biennium (Page 30)		$5,487,834
Add:		
Reclassification of General Fund Revenue to Enterprise Fund - (Offset in Expenditure Reconciliation)		31,726
		$5,519,560
Deduct:		
Loan Proceeds not included in Revenue in Enterprise Fund	$ 4,785	
Proceeds from sale of Bonds not included in revenue in Enterprise Fund	239,390	
Deferred Income Adjustment in Enterprise Fund	262	
Loan Repayments not included in revenue:		
Enterprise Fund	260,010	
Internal Service Fund	145	
Proceeds from reduction in size of Revolving Fund not included in income in Internal Service Fund	75	
Cost of Assets Sold offset against sales of equipment:		
Internal Service Fund	90	
Non-Budgetary transfers of assets other than cash	(22,657)	
Net Deduction because of differences in reporting Budgetary Revenue and revenue in Proprietary Funds	$482,100	
Revenue adjustments recorded during the year but charged to prior biennium	142,305	
Accounting reclassification from Expenditures to Cost of Goods Sold - (Offset in Expenditure Reconciliation)	15,544	
Total Deductions		639,949
Adjusted Budgetary Revenue		$4,879,611
Revenue per Combined Financial Statements:		
Governmental Funds (Page 23)		$4,150,585
Proprietary Funds: (Page 28)		
Income		715,087
Transfers		13,939
Revenue per Combined Financial Statements		$4,879,611

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
RECONCILIATION OF BUDGETARY EXPENDITURES TO
EXPENDITURES AND EXPENSES REPORTED IN THE
COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1982

(Expressed in Thousands)

Budgetary Expenditures - 1981-83 Biennium (Page 31)		$5,531,863
Add:		
Reclassification of General Fund Expenditures to Enterprise Fund - (Offset in Revenue Reconciliation)		31,726
Reduction in Encumbrances in Governmental Funds		257,504
		$5,821,093
Deduct:		
Loans made but not included in Expenditures in Enterprise Fund	$ 511,598	
Principal payments on long term debt not included in expenditures in Enterprise Fund	166,812	
Increase in encumbrances:		
Enterprise Fund	1,109	
Internal Service Fund	845	
Adjustments to Inventories:		
Enterprise Fund	1,128	
Internal Service Fund	(3,004)	
Capital Outlay not included in expense:		
Enterprise Fund	807	
Internal Service Fund	5,897	
Adjustment of Prepaid Expense:		
Enterprise Fund	28	
Internal Service Fund	(167)	
Depreciation not included in Budgetary Expenditures	(9,045)	
Net Deduction because of differences in reporting Budgetary Expenditure and Expenditures in Proprietary Funds	$ 676,008	
Expenditure adjustments recorded during the year but charged to prior bienniums	215,390	
Accounting reclassification from expenditures to cost of goods sold (Offset in Revenue Reconciliation)	15,544	
Total Deductions		906,942
Adjusted Budgetary Expense		$4,914,151
Expenditures per Combined Financial Statements:		
Governmental Funds (Page 25)		$4,222,318
Proprietary Funds (Page 28)		691,833
Expenditures per Combined Financial Statements		$4,914,151

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
COMBINING BALANCE SHEET
GENERAL FUND

(Expressed in Thousands)

	As of June 30, 1981	As of June 30, 1982
ASSETS		
Cash on Deposit - Treasury	($12,576)	($257,447)
Investments - Treasury	38,997	39,602
Accounts Receivable	327	7
Interest Receivable	-	5,589
Interfund Receivables	26,980	91,503
Inventories	5,400	6,942
Contracts, Mortgages and Notes Receivable	4,779	6,111
Total Assets	$63,907	($107,693)
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$15,194	$ 40,457
Interfund Payables	3,335	5,500
Total Liabilities	$18,529	$45,957
Fund Equity		
Reserve for Encumbrances	$20,042	$14,688
Reserve for Receivables	4,779	6,111
Reserve for Inventories	5,400	6,942
Fund Balance	15,157	(181,391)
Total Fund Equity (Note 16)	$45,378	($153,650)
Total Liabilities and Fund Equity	$63,907	($107,693)

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
COMBINING STATEMENT OF REVENUES
GENERAL FUND

(Expressed in Thousands)

	Fiscal Year Ended June 30,	
Revenue	1981	1982
Income Taxes	$1,165,122	$1,093,073
Selective Sales and Use Taxes	25,710	39,940
Gross Receipts Business Taxes	33,118	32,913
Inheritance and Gift Taxes	35,427	42,216
Severance Taxes	1,654	1,744
Business Licenses and Fees	3,693	4,181
Non-business Licenses and Fees	2,287	2,500
Federal Revenues	261	131
Charges for Services	5,051	4,543
Fines and Forfeitures	4,967	5,052
Interest Income	16,146	23,872
Sales Income	40,746	42,386
Loan Repayments	5,127	-
Other Revenue	-	1,981
Total Revenue	$1,339,309	$1,294,532
Other Financing Sources (Uses)		
Transfers Out Interfund	(13,982)	(8,608)
Net Revenue	$1,325,327	$1,285,924

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
COMBINING STATEMENT OF EXPENDITURES
GENERAL FUND

(Expressed in Thousands)

	Fiscal Year Ended June 30, 1981	1982
EXPENDITURES BY BUDGET CATEGORY		
Personal Services	$ 325,822	$ 336,739
Services and Supplies	94,662	89,584
Capital Outlay	7,206	10,218
Special Payments	945,370	1,051,181
Debt Service	85	104
Total Expenditures	$1,373,145	$1,487,826
EXPENDITURES BY PROGRAM AREA		
Economic Development and Consumer Services	$ 12,811	$ 14,116
Education	654,130	693,162
Human Resources	342,901	390,813
Natural Resources	18,664	19,379
Public Safety	35,815	42,775
Transportation	2,841	7,141
Administration and Support	284,113	298,165
Legislative	11,241	9,622
Judicial	10,629	12,653
Total Expenditures	$1,373,145	$1,487,826

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON

COMBINING STATEMENT OF CHANGES IN GENERAL FUND EQUITY

(Expressed in Thousands)

Fund Equity - June 30, 1981		$45,378
Excess of 1981-1982 Expenditures over Revenues		
Revenues	$1,285,924	
Less Expenditures	1,487,826	(201,902)
		$(156,524)
Changes in Reserves		
Increase in Reserve for Receivables	$ 1,332	
Increase in Reserve for Inventories	1,542	2,874
Fund Equity - June 30, 1982		$(153,650)

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS

(Expressed in Thousands)

	As of June 30,		ECON. DEV. & CONSUMER SERVICES	EDUCATION
	1981	1982		
ASSETS				
Cash on Hand and in Banks	$ 130	$ 88	$ 10	$ 1
Cash on Deposit - State Treasury	148,392	153,963	19,160	25,437
Investments - State Treasury	86,149	76,569	40,826	9,880
Investments - Other	12	22	-	22
Securities Held in Trust	8,502	10,156	9,892	-
Advances Receivable	5,018	1,958	119	2
Interest Receivable	95	1,160	1,119	41
Accounts Receivable	214,208	63,512	1,914	26,454
Interfund Receivables	20,003	40,596	1,012	6,287
Inventories	13,374	15,387	782	4,623
Prepaid Expenses	4,462	2,335	-	2,194
Contracts, Notes, and Mortgages Receivable	214,454	185,956	5,746	20,742
Total Assets	$714,799	$551,702	$80,580	$95,683
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts and Interest Payable	$ 13,327	$ 28,157	$ 2,563	$ 7,414
Interfund Payables	18,457	19,659	1,134	367
Trust Funds Payable	10,687	12,091	9,917	1,303
Deferred Income	27,518	18,892	1,237	7,752
Total Liabilities	$ 69,989	$ 78,799	$14,851	$16,836
Fund Equity				
Reserve for Encumbrances	$303,313	$53,725	$1,857	$21,822
Reserve for Receivables	214,454	185,956	5,746	20,742
Reserve for Inventories	13,374	15,387	782	4,623
Reserves for Revolving Accounts	1,315	1,418	163	8
Reserves - Other	-	149	-	24
Fund Balance	112,354	216,268	57,181	31,628
Total Fund Equity	$644,810	$472,903	$65,729	$78,847
Total Liabilities and Fund Equity	$714,799	$551,702	$80,580	$95,683

Prepared without audit - see letter of transmittal for comments.

HUMAN RESOURCES	NATURAL RESOURCES	PUBLIC SAFETY	TRANSPORTATION	ADMINI. AND SUPPORT	LEGISLATIVE	JUDICIAL
$ 15	$ 31	$ 4	$ 26	$ 1	$ -	$ -
6,260	19,372	1,156	79,280	1,754	1,213	331
1,109	24,754	-	-	-	-	-
-	-	-	-	-	-	-
-	264	-	-	-	-	-
1,714	68	50	5	-	-	-
-	-	-	-	-	-	-
16,575	8,398	337	9,386	258	162	28
15,732	3,716	-	13,849	-	-	-
945	5,679	1,603	840	338	103	474
125	16	-	-	-	-	-
4,529	143,950	-	10,983	6	-	-
$47,004	$206,248	$3,150	$114,369	$2,357	$1,478	$833
$ 9,795	$ 1,929	$ 498	$ 5,787	$ 159	$ 12	$ -
11,622	3,908	-	2,574	54	-	-
-	328	1	513	29	-	-
2,204	7,646	35	14	4	-	-
$23,621	$13,811	$ 534	$ 8,888	$ 246	$ 12	$ -
$ 5,622	$ 5,511	$ 65	$ 18,774	$ 74	$ -	$ -
4,529	143,950	-	10,983	6	-	-
945	5,679	1,603	840	338	103	474
154	125	87	850	31	-	-
125	-	-	-	-	-	-
12,608	37,172	861	74,034	1,662	1,363	359
$23,383	$192,437	$2,616	$105,481	$2,111	$1,466	$833
$47,004	$206,248	$3,150	$114,369	$2,357	$1,478	$833

STATE OF OREGON
COMBINING STATEMENT OF REVENUES
SPECIAL REVENUE FUNDS

(Expressed in Thousands)

	Fiscal Year Ended June 30, 1981	1982
Revenue		
Selective Sales and Use Taxes	$ 58,740	$ 1,420
Gross Receipts Business Taxes	3,401	3,720
Employer - Employe Taxes	48,892	128,166
Business Licenses and Fees	19,834	15,540
Non-Business Licenses and Fees	20,712	31,462
Federal Revenues	943,082	636,140
Charges for Services	187,301	217,426
Fines and Forfeitures	674	1,798
Rents and Royalties	3,413	3,862
Interest Income	22,210	24,111
Sales Income (Net)	32,356	38,716
Donations and Grants (Non-Federal)	27,385	33,644
Loan Repayments	587	(18)
Other Revenue	22,040	37,148
Total Revenue	$1,390,627	$1,173,135
Other Financing Sources (Uses)		
Bond Sales	$ 59,303	$ (568)
Transfers In - Interfund	1,156,119	1,139,479
Transfers In - Other	-	6,321
Transfers Out - Interfund	(216,290)	(138,029)
Transfers to Cities	(20,971)	(19,919)
Transfers to Counties	(54,542)	(53,045)
Transfers to Others	(1,159)	(6,637)
Total Other Financing Sources (Uses)	$922,460	$ 927,602
Net Revenue	$2,313,087	$2,100,737

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
COMBINING STATEMENT OF EXPENDITURES
SPECIAL REVENUE FUNDS

(Expressed in Thousands)

	Fiscal Year Ended June 30, 1981	1982
EXPENDITURES BY BUDGET CATEGORY		
Personal Services	$ 495,291	$ 493,325
Services and Supplies	440,986	454,320
Capital Outlay	19,323	15,475
Special Payments	912,653	854,977
Debt Service	462	542
Non-Limited	246,468	427,269
Total Expenditures	$2,115,183	$2,245,908
EXPENDITURES BY PROGRAM AREA		
Economic Development and Consumer Service	$ 101,568	$ 130,766
Education	776,652	812,854
Human Resources	807,118	855,090
Natural Resources	32,512	76,341
Public Safety	13,053	11,687
Transportation	363,359	351,954
Administration and Support	19,357	5,496
Legislative	775	1,502
Judicial	789	218
Total Expenditures	$2,115,183	$2,245,908

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN SPECIAL REVENUE FUND EQUITY

(Expressed in Thousands)

Fund Equity - June 30, 1981		$ 644,810
Prior Period Adjustments		(503)
Excess of 1981-82 Revenues over Expenditures		
Revenues	$2,100,737	
Less Expenditures	2,245,908	(145,171)
		$ 499,136
Changes in Reserves		
Decrease in Reserve for Receivables	$ (28,498)	
Increase in Reserve for Inventories	2,013	
Increase in Other Reserves	252	(26,233)
Fund Equity - June 30, 1982		$ 472,903

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS

(Expressed in Thousands)

	As of June 30, 1981	As of June 30, 1982
ASSETS		
Cash on Deposit - State Treasury	$ 21	$ 8,668
Cash with Fiscal Agent	2,190	2,871
Investments - State Treasury	52,640	51,480
Interest Receivable	4	1,378
Interfund Receivable	3,375	5,169
Prepaid Expenses	306	-
Total Assets	$ 58,536	$ 69,566
LIABILITIES AND FUND EQUITY		
Liabilities		
Interfund Payable	$ 3,344	$ 5,151
Matured Bonds Payable	2,307	2,900
Deferred Income	76	40
Total Liabilities	$ 5,727	$ 8,091
Fund Equity		
Fund Balance	$ 52,809	$ 61,475
Total Fund Equity	$ 52,809	$ 61,475
Total Liabilities and Fund Equity	$ 58,536	$ 69,566

Prepared without audit - see letter of transmittal for comments.

CUSTODIAL STATE TREASURY	BOND ISSUE: COMMUNITY COLLEGE & ED. CENTER	OREGON FOREST REHAB.	OREGON POLLUTION CONTROL	OREGON STATE HIGHWAY	WATER RESOURCES DEVELOP.	HIGHER EDUCATION FACILITIES
$ 29	$ 132	$ 95	$ 6,860	$ -	$ -	$ 1,552
2,871	-	-	-	-	-	-
-	-	-	25,857	-	-	25,623
-	1	-	66	-	-	1,311
-	18	-	-	-	-	5,151
-	-	-	-	-	-	-
$ 2,900	$ 151	$ 95	$ 32,783	$ -	$ -	$ 33,637
$ -	$ -	$ -	$ -	$ -	$ -	$ 5,151
2,900	-	-	-	-	-	-
-	-	-	-	-	-	40
$ 2,900	$ -	$ -	$ -	$ -	$ -	$ 5,191
$ -	$ 151	$ 95	$ 32,783	$ -	$ -	$ 28,446
$ -	$ 151	$ 95	$ 32,783	$ -	$ -	$ 28,446
$ 2,900	$ 151	$ 95	$ 32,783	$ -	$ -	$ 33,637

STATE OF OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY
DEBT SERVICE FUNDS

(Expressed in Thousands)

	Fiscal Year Ending June 30, 1981	1982
Revenue		
Federal Revenues	$ 205	$ 205
Charges for Services	2,493	2,425
Rents and Royalties	-	21
Interest Income	15,411	19,731
Sales Income	-	8
Loan Repayments	5,278	3,419
Other Income	1,711	667
Total Revenue	$25,098	$26,476
Other Financing Sources (Uses)		
Transfers In - Interfund	$18,992	$30,446
Transfers from General Fund	5,934	3,382
Transfers out-Interfund	(8,573)	(15,553)
Total Other Financing Sources (Uses)	$16,353	$18,275
Net Revenue	$41,451	$44,751
Expenditures (Page 48)	35,688	36,085
Excess Revenue over Expenditures	$ 5,763	$ 8,666
Fund Equity - Beginning	47,046	52,809
Fund Equity - Ending	$52,809	$61,475

	BOND ISSUE				
COMMUNITY COLLEGE & ED. CENTER	OREGON FOREST REHAB.	OREGON POLLUTION CONTROL	OREGON STATE HIGHWAY	WATER RESOURCES DEVELOP.	HIGHER EDUCATION
$ -	$ -	$ -	$ -	$ -	$ 205
-	-	(28)	-	-	2,453
-	-	-	-	-	21
33	31	13,369	-	25	6,273
-	8	-	-	-	-
-	-	3,396	-	23	-
-	-	-	-	-	667
$ 33	$ 39	$16,737	$ -	$ 48	$ 9,619
$ 276	$ -	$ 2,752	$ 7,012	$ 6,733	$ 13,673
3,032	350	-	-	-	-
-	-	-	-	(10,406)	(5,147)
$ 3,308	$ 350	$ 2,752	$ 7,012	$(3,673)	$ 8,526
$ 3,341	$ 389	$19,489	$ 7,012	$(3,625)	$ 18,145
3,533	350	12,449	7,012	-	12,741
$ (192)	39	$ 7,040	$ -	$(3,625)	$ 5,404
343	56	25,743	-	3,625	23,042
$ 151	$ 95	$32,783	$ -	$ -	$ 28,446

STATE OF OREGON
COMBINING STATEMENT OF EXPENDITURES
DEBT SERVICE FUNDS

(Expressed in Thousands)

	Fiscal Year Ended June 30, 1981	1982
EXPENDITURES WITHIN BUDGET CATEGORY		
Services and Supplies	$ 822	$ (61)
Debt Service		
Principal	14,781	15,347
Interest	20,177	20,386
Other	(92)	413
Total Expenditures	$ 35,688	$ 36,085
EXPENDITURES BY PROGRAM AREA		
Education	$ 16,092	$ 16,274
Natural Resources	12,926	12,799
Transportation	6,670	7,012
Total Expenditures	$ 35,688	$ 36,085

Prepared without audit - see Letter of Transmittal for comments.

BOND ISSUE					
COMMUNITY COLLEGE & ED. CENTER	OREGON FOREST REHAB.	OREGON POLLUTION CONTROL	OREGON STATE HIGHWAY	WATER RESOURCES DEVELOP.	HIGHER EDUCATION
$ -	$ -	$ 30	$ -	$ -	$ (91)
1,140	325	4,950	3,300	-	5,632
2,087	25	7,465	3,712	-	7,097
306	-	4	-	-	103
$ 3,533	$ 350	$ 12,449	$ 7,012	$ -	$ 12,741
$ 3,533	$ -	$ -	$ -	$ -	$ 12,741
-	350	12,449	-	-	-
-	-	-	7,012	-	-
$ 3,533	$ 350	$ 12,449	$ 7,012	$ -	$ 12,741

STATE OF OREGON
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND

(Expressed in Thousands)

	As of June 30, 1981	As of June 30, 1982
ASSETS		
Cash on Deposit - State Treasury	$ 6,351	$ 9,242
Investments - State Treasury	21,526	24,322
Investments - Other	237	148
Securities Held in Trust	640	671
Receivables	1,020	1,279
Interfund Receivables	507	197
Total Assets	$ 30,281	$ 35,859
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$ 432	$ 266
Interfund Payable	81	63
Trust Funds Payable	640	671
Total Liabilities	$ 1,153	$ 1,000
Fund Equity		
Reserves for Encumbrances	$ 5,784	$ 3,740
Fund Balance	23,344	31,119
Total Fund Equity	$ 29,128	$ 34,859
Total Liabilities and Fund Equity	$ 30,281	$ 35,859

Prepared without audit - see letter of transmittal for comments.

ECONOMIC DEV. & CONSUMER SERV.	EDUCATION	HUMAN RESOURCES	NATURAL RESOURCES	PUBLIC SAFETY	TRANSPORTATION	ADMINISTRATION & SUPPORT
$ (66)	$ 7,313	$ 21	$ (65)	$ 88	$ 55	$ 1,896
-	24,322	-	-	-	-	-
-	148	-	-	-	-	-
-	-	-	-	-	-	671
-	270	-	956	1	52	-
137	56	-	2	-	-	2
$ 71	$ 32,109	$ 21	$ 893	$ 89	$ 107	$ 2,569
$ 29	$ 199	$ -	$ -	$ -	$ 38	$ -
-	63	-	-	-	-	-
-	-	-	-	-	-	671
$ 29	$ 262	$ -	$	$	$ 38	$ 671
$ 42	$ 1,300	$ 6	$1,603	$ 27	$ 4	$ 758
-	30,547	15	(710)	62	65	1,140
$ 42	$ 31,847	$ 21	$ 893	$ 89	$ 69	$ 1,898
$ 71	$ 32,109	$ 21	$ 893	$ 89	$ 107	$ 2,569

STATE OF OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
CAPITAL PROJECTS FUNDS

(Expressed in Thousands)

	Year Ended June 30, 1981	1982
Revenue		
Federal Revenues	$ 2,272	$ 2,912
Rents and Royalties	-	1,449
Interest Income	721	915
Donations and Grants (Non-Federal)	137	642
Other Revenue	2,491	2,315
Total Revenue	$ 5,621	$ 8,233
Expenditures		
Personal Services	$ 184	$ 84
Services and Supplies	10,382	6,876
Capital Outlay	29,126	15,077
Special Payments	16	-
Total Expenditures	$39,708	$22,037
Excess Revenue over Expenditures	$(34,087)	$(13,804)
Other Financing Sources (Uses)		
Interfund Transfers	$ 26,027	$ 7,825
Proceeds from General Obligation Bonds	-	11,710
Total Other Financing Sources	$ 26,027	$ 19,535
Excess Revenue and Other Financing Sources over Expenditures	$ (8,060)	$ 5,731
Fund Equity - Beginning	37,138	29,128
Fund Equity - Ending	$ 29,128	$ 34,859

Prepared without audit - see letter of transmittal for comments.

ECONOMIC DEV. & CONSUMER SERV.	EDUCATION	HUMAN RESOURCES	NATURAL RESOURCES	PUBLIC SAFETY	TRANSPORTATION	ADMINISTRATION & SUPPORT
$ -	$1,390	$ 8	$ 1,288	$ -	$ 226	$ -
-	-	-	-	-	1,449	-
-	915	-	-	-	-	-
-	642	-	-	-	-	-
-	2,318	-	486	78	-	(567)
$ -	$5,265	$ 8	$ 1,774	$ 78	$ 1,675	$ (567)
$ 2	$ 74	$ 7	$ 1	$ -	$ -	$ -
10	2,327	115	1,220	-	2	3,202
83	11,505	538	2,640	19	178	114
-	-	-	-	-	-	-
$ 95	$13,906	$ 660	$3,861	$ 19	$ 180	$ 3,316
$ (95)	$(8,641)	$ (652)	$(2,087)	$ 59	$ 1,495	$ (3,883)
$ 137	$ 1,407	$ 826	$ 2,980	$ 30	$ (1,426)	$ 3,871
-	11,710	-	-	-	-	-
$ 137	$13,117	$ 826	$ 2,980	$ 30	$ (1,426)	$ 3,871
$ 42	$ 4,476	$ 174	$ 893	$ 89	$ 69	$ (12)
-	27,371	(153)			-	1,910
$ 42	$31,847	$ 21	$ 893	$ 89	$ 69	$ 1,898

Oregon Enterprise Fund activities are provided primarily by the eight state agencies described below:

Department of Commerce, Housing Division Their major activity is the sale of revenue bonds to make residential mortgage loans available to lower income residents of Oregon.

Department of Veteran's Affairs They provide farm and home loans and other services to war veterans of Oregon.

Department of Human Resources, Mental Health Division They operate four hospitals which provide care and training for the mentally ill, developmentally disabled and mentally retarded.

Higher Education Activities include providing students with residence halls, parking, bookstores, dining halls and student centers.

Liquor Commission Activities include regulation, control, and sale of all alcoholic liquor and certain wines.

Department of Energy Provides small scale energy loans for development of renewable resource energy projects.

Water Resources Department Provides loans to residents of the State for construction of water development projects for irrigation, drainage and municipal use.

Economic Development Department Provides loans to Oregon Port Districts for Port Development projects. Provides loans to counties for economic development projects.

STATE OF OREGON
COMBINING BALANCE SHEET
ENTERPRISE FUNDS

(Expressed in Thousands)

ASSETS	As of June 30, 1981	As of June 30, 1982	COMMERCE HOUSING	VETERANS AFFAIRS
Current Assets				
Cash on Hand and in Banks	$ 4,054	$ 2,239	$ 1,940	$ -
Cash on Deposit - State Treasury	293,540	272,679	7,062	234,892
Investments - State Treasury	160,132	149,789	18,315	125,933
Investments - Other	91,545	119,993	100,401	19,559
Advances Receivable	4	4,437	-	4,408
Interest Receivable	39,310	41,648	5,944	35,578
Accounts Receivable	2,867	1,356	31	-
Interfund Receivable	20	151	144	-
Inventories	18,465	19,467	3	71
Prepaid Expenses	400	308	-	-
Discount on Bonds Sold	5,704	11,675	6,296	4,942
Total Current Assets	$ 616,041	$ 623,742	$ 140,136	$ 425,383
Fixed Assets				
Land, Buildings and Improvements	$ 10,605	$ 54,928	$ -	$ -
Leasehold Improvements (Net)	-	10	-	10
Equipment and Machinery	3,324	12,342	66	1,371
Less Allowance for Depreciation	(4,414)	(35,041)	(16)	(815)
Total Fixed Assets	$ 9,515	$ 32,239	$ 50	$ 566
Other Assets				
Contracts, Notes and Mortages Receivable	$5,178,816	$5,593,031	$ 334,496	$5,076,858
Total Assets	$5,804,372	$6,249,012	$ 474,682	$5,502,807
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Accounts Payable	$ 19,376	$ 177,952	$ 107	$ 161,962
Interest Payable	84,234	91,699	15,109	76,590
Interfund Payables	7,036	,330	144	-
Trust Fund Payable	6,220	6,900	-	6,026
Premium on Bonds Sold	21,217	20,026	-	20,026
Deferred Income	1,609	2,219	-	-
Total Current Liabilities	$ 139,692	$ 299,126	$ 15,360	$ 264,604
Long-Term Liabilities				
Contract, Mortgages and Notes Payable	$ 145	$ 8,627	$ 4,802	$ -
General Obligation Bonds Payable	5,117,025	5,200,230	40,650	5,117,000
Revenue Bonds Payable	376,490	528,689	385,435	-
Total Long-Term Liabilities	$ 5,493,660	$5,737,546	$ 430,887	$5,117,000
Total Liabilities	$ 5,633,352	$6,036,672	$ 446,247	$5,381,604
Fund Equity				
Reserve for Encumbrances	$ 898	$ 2,007	$ 31	$ -
Retained Earnings	170,122	210,333	28,404	121,203
Total Fund Equity	$ 171,020	$ 212,340	$ 28,435	$ 121,203
Total Liabilities and Fund Equity	$ 5,804,372	$6,249,012	$ 474,682	$5,502,807

Prepared without audit - see letter of transmittal for comments.

STATE HOSPITALS	HIGHER EDUCATION	LIQUOR COMMISSION	ENERGY	WATER RESOURCES	ECONOMIC DEVELOPMENT	OTHER ENTERPRISE
$ 15	$ -	$ 284	$ -	$ -	$ -	$ -
1,835	5,121	16,116	(976)	6,255	948	1,426
-	-	-	5,541	-	-	-
-	33	-	-	-	-	-
25	-	-	-	-	-	4
-	-	-	126	-	-	-
48	1,064	89	-	-	-	124
-	7	-	-	-	-	-
1,326	2,512	15,420	-	-	-	135
18	279	11	-	-	-	-
-	-	-	368	69	-	-
$ 3,267	$ 9,016	$ 31,920	$ 5,059	$ 6,324	$ 948	$ 1,689
$ 44,050	$ -	$ 2,173	$ -	$ -	$ -	$ 8,705
-	-	-	-	-	-	-
7,974	-	1,401	3	17	4	1,506
(29,726)	-	(1,598)	-	(4)	(1)	(2,881)
$ 22,298	$ -	$ 1,976	$ 3	$ 13	$ 3	$ 7,330
$ 3	$ 430	$ -	$ 14,443	$ 18,396	$ 148,405	$ -
$ 25,568	$ 9,446	$ 33,896	$ 19,505	$ 24,733	$ 149,356	$ 9,019
$ 824	$ 59	$ 14,923	$ 2	$ 6	$ 2	$ 67
-	-	-	-	-	-	-
-	24	-	-	-	-	162
1	875	(12)	-	-	-	10
-	-	-	-	-	-	-
-	1,596	424	-	-	-	199
$ 825	$ 2,554	$ 15,335	$ 2	$ 6	$ 2	$ 438
$ -	$ -	$ -	$ -	$ -	$ 3,771	$ 54
-	-	-	19,700	22,880	-	-
-	-	-	-	-	143,254	-
$ -	$ -	$ -	$ 19,700	$ 22,880	$ 147,025	$ 54
$ 825	$ 2,554	$ 15,335	$ 19,702	$ 22,886	$ 147,027	$ 492
$ 1,308	$ 292	$ 281	$ -	$ -	$ -	$ 95
23,435	6,600	18,280	(197)	1,847	2,329	8,432
$ 24,743	$ 6,892	$ 18,561	$ (197)	$ 1,847	$ 2,329	$ 8,527
$ 25,568	$ 9,446	$ 33,896	$ 19,505	$ 24,733	$ 149,356	$ 9,019

STATE OF OREGON
COMBINING STATEMENT OF OPERATION
AND CHANGES IN FUND EQUITY
ENTERPRISE FUNDS

	Fiscal Year Ended June 30, 1981	Fiscal Year Ended June 30, 1982	COMMERCE HOUSING	VETERANS AFFAIRS
Sales Income	$ 114,958	$ 118,595	$ -	$ -
Cost of Goods Sold	(80,302)	(79,109)	-	-
Gross Profit on Sales	$ 34,656	$ 39,486	$ -	$ -
Other Income				
Selective Sales Tax	12,971	10,836	-	-
Business Licenses and Fees	281	2,154	533	-
Non-Business Licenses	384	9	9	-
Federal Revenue	627	703	278	-
Charges for Services	63,293	114,991	-	1,868
Fines and Forfeitures	-	171	8	-
Rents and Royalties	692	958	-	-
Interest Income	374,978	399,223	39,476	355,014
Donations and Grants (Non-Federal)	306	401	-	-
Other Revenue	5,150	2,590	-	468
Total Income	$ 493,338	$ 571,522	$ 40,304	$357,350
Operating Expenses				
Personal Services	$ 43,071	$ 109,312	$ 690	$ 12,116
Services and Supplies	47,744	57,565	207	3,913
Special Payments	596	31,487	26	30,745
Debt Service	334,152	350,933	30,848	316,062
Depreciation	686	2,060	5	(214)
Total Expenses	$ 426,249	$ 551,357	$ 31,776	$362,622
Net Operating Income (Loss)	$ 67,089	$ 20,165	$ 8,528	$ (5,272)
Operating Transfers In (Out)	(39,372)	14,945	4	(7)
Net Income	$ 27,717	$ 35,110	$ 8,532	$ (5,279)
Fund Equity - Beginning	166,158	171,020	20,003	124,464
Adjustment of Fixed Asset Valuations	(12,801)	3,824	-	-
Write Off State Accident Insurance Fund	(10,054)	-	-	-
Prior Period Adjustment	-	2,386	(100)	2,018
Fund Equity - Ending	$ 171,020	$ 212,340	$ 23,435	$121,203

Prepared without audit - see letter of transmittal for comments.

STATE HOSPITALS	HIGHER EDUCATION	LIQUOR COMMISSION	ENERGY	WATER RESOURCES	ECONOMIC DEVELOPMENT	OTHER ENTERPRISE
$ 239	$ -	$ 115,512	$ -	$ -	$ -	$ 2,844
-	-	(79,072)	-	-	-	(37)
$ 239	$ -	$ 36,440	$ -	$ -	$ -	$ 2,807
-	-	10,836	-	-	-	-
-	-	1,617	2	2	-	-
-	-	-	-	-	-	-
-	425	-	-	-	-	-
51,668	58,718	19	(3)	968	-	1,753
-	41	122	-	-	-	-
217	-	1	-	-	-	740
-	371	-	2,480	1,359	523	-
-	401	-	-	-	-	-
58	1,787	160	-	-	-	117
$ 52,182	$ 61,743	$ 49,195	$ 2,479	$ 2,329	$ 523	$ 5,417
$ 62,477	$ 24,689	$ 6,032	$ 186	$ 205	$ 62	$ 2,855
9,267	31,194	10,573	123	196	28	2,064
-	716	-	-	-	-	-
-	106	-	2,215	1,702	-	-
1,823	-	177	-	3	-	266
$ 73,567	$ 56,705	$ 16,782	$ 2,524	$ 2,106	$ 90	$ 5,185
$ (21,385)	$ 5,038	$ 32,413	$ (45)	$ 223	$ 433	$ 232
42,133	(4,632)	(25,935)	4	1,624	1,896	(142)
$ 20,748	$ 406	$ 6,478	$ (41)	$ 1,847	$ 2,329	$ 90
171	6,486	12,073	(156)	-	-	7,979
3,824	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	10	-	-	-	458
$ 24,743	$ 6,892	$ 18,561	$ (197)	$ 1,847	$ 2,329	$ 8,527

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS

(Expressed in Thousands)

	For the Fiscal Year Ended June 30, 1982	
Sources of Working Capital		
Operations:		
Net Income		$ 35,110
Add Depreciation not Requiring Expenditure of Funds		2,060
Total Provided by Operations		$ 37,170
Collections on Long-Term Receivables	$ 262	
Loan Proceeds	4,785	
Sale of Bonds	239,390	
Loan Repayments	260,011	504,448
Total Provided		$ 541,618
Uses of Working Capital		
Retirement of Bonds	$166,667	
Payment on Loans	145	
Loans Made	511,598	
Purchase of Equipment	797	
Purchase of Leaseholds	10	
Net Assets Acquired from Other Funds	14,134	
Total Applied		693,351
Net Increase (Decrease) in Working Capital		$(151,733)
Elements of Net Increase (Decrease) in Working Capital		
Cash		$ (22,676)
Investments		18,105
Receivables		5,391
Inventories		1,002
Prepaid Expenses		5,879
Payables		(159,335)
Trust Funds Payable		(680)
Deferred Income		581
Net Increase (Decrease) in Working Capital		$(151,733)

Prepared without audit - see letter of transmittal for comments.

The Oregon activities reported in Internal Service Funds vary widely both as to type and complexity of operations. Most of the centralized services are provided by five agencies. These agencies and the services they provide or goods they sell are described below. Their operations as well as other major service operations of the state are reflected in the financial statements that follow:

Higher Education Services include printing, duplicating, data processing, and motor pool.

Executive Department Services include accounting, collective bargaining, personnel, and data processing.

Department of General Services Services include purchasing, printing, mail, motor pool, leasing, and insurance.

Department of Justice Services include legal and research.

Penitentiary Industries Manufacture and sale of furniture, machinery, and equipment.

STATE OF OREGON
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS

(Expressed in Thousands)

	As of June 30, 1981	As of June 30, 1982	HIGHER EDUCATION FACILITIES
ASSETS			
Current Assets			
Cash on Hand and in Banks	$ 3	$ 3	$ -
Cash on Deposit - State Treasury	16,848	20,751	2,286
Investments - State Treasury	23,016	26,004	-
Advances Receivable	82	80	-
Interest Receivable	100	796	-
Accounts Receivable	6,680	7,201	-
Interfunds Receivable	14	266	-
Inventories	12,085	9,080	-
Prepaid Expenses	15	15	-
Total Current Assets	$ 58,843	$ 64,196	$2,286
Fixed Assets			
Land, Buildings, and Improvements	$ 39,263	$ 58,798	$ -
Leased Property	987	1,068	-
Construction in Process	20,051	449	-
Equipment and Machinery	81,970	86,548	-
Less: Allowance for Depreciation	(50,763)	(56,200)	-
Total Fixed Assets	$ 91,508	$ 90,663	$ -
Other Assets			
Contracts, Mortgages, and Notes Receivable	$ 1,440	$ 1,245	$ -
Total Assets	$151,791	$156,104	$2,286
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts Payable	$ 679	$ 1,963	$ -
Interfunds Payable	1,262	3,003	-
Trust Funds Payable	1	60	-
Deferred Income	15	-	-
Total Current Liabilities	$ 1,957	$ 5,026	$ -
Long-Term Liabilities			
Obligations Under Capital Lease	$ 6,856	$ 6,698	$ -
Contracts, Mortgages and Notes Payable	5,695	5,553	-
Advances from General Fund	80		-
Total Long-Term Liabilities	$ 12,631	$ 12,251	$ -
Total Liabilities	$ 14,588	$ 17,277	$ -
Fund Equity			
Reserve for Encumbrances	$ 3,212	$ 4,058	$ 134
Retained Earnings	133,991	134,769	2,152
Total Fund Equity	$137,203	$138,827	$2,286
Total Liabilities and Fund Equity	$151,791	$156,104	$2,286

Prepared without audit - see letter of transmittal for comments.

EXECUTIVE DEPARTMENT SERVICES	DEPARTMENT OF GENERAL SERVICES	JUSTICE DEPARTMENT SERVICES	PEN. INDUSTRIES SALES	OTHER DATA PROC. SERVICES	OTHER MOTOR POOLS	MISC. INTERNAL SERVICES
$ 1	$ 2	$ -	$ -	$ -	$ -	$ -
758	11,479	864	8	1,844	-	3,512
-	25,886	-	-	-	-	118
3	76	-	-	-	-	1
-	796	-	-	-	-	-
1,283	3,393	1,120	397	684	33	291
-	253	-	-	-	-	13
97	1,605	-	1,100	87	5,885	306
-	-	-	-	-	-	15
$ 2,142	$ 43,490	$ 1,984	$ 1,505	$ 2,615	$ 5,918	$ 4,256
$ -	$ 57,346	$ -	$ 1,452	$ -	$ -	$ -
219	349	-	-	-	-	-
-	449	-	-	-	-	-
9,197	11,759	1,519	1,003	13,353	41,355	8,362
(3,304)	(19,889)	(1,061)	(1,083)	(6,413)	(21,076)	(3,374)
$ 6,112	$ 50,514	$ 458	$ 1,372	$ 6,940	$ 20,279	$ 4,988
$ -	$ 1,245	$ -	$ -	$ -	$ -	$ -
$ 8,254	$ 95,249	$ 2,442	$ 2,877	$ 9,555	$ 26,197	$ 9,244
$ 79	$ -	$ -	$ 675	$ 415	$ 574	$ 220
200	400	-	-	500	1,903	-
-	60	-	-	-	-	-
-	-	-	-	-	-	-
$ 279	$ 460	$ -	$ 675	$ 915	$ 2,477	$ 220
$ 2,525	$ 987	$ -	$ -	$ 3,141	$ -	$ 45
-	5,553	-	-	-	-	-
-	-	-	-	-	-	-
$ 2,525	$ 6,540	$ -	$ -	$ 3,141	$ -	$ 45
$ 2,804	$ 7,000	$ -	$ 675	$ 4,056	$ 2,477	$ 265
$ 141	$ 1,147	$ 120	$ 547	$ 570	$ 1,211	$ 188
5,309	87,102	2,322	1,655	4,929	22,509	8,791
$ 5,450	$ 88,249	$ 2,442	$ 2,202	$ 5,499	$ 23,720	$ 8,979
$ 8,254	$ 95,249	$ 2,442	$ 2,877	$ 9,555	$ 26,197	$ 9,244

STATE OF OREGON
COMBINING STATEMENT OF OPERATIONS
AND CHANGES IN FUND EQUITY
INTERNAL SERVICE FUNDS

(Expressed in Thousands)

	Fiscal Year Ended June 30, 1981	1982	HIGHER EDUCATION FACILITIES
Sales Income	$ 19,596	$ 21,082	$ -
Cost of Goods Sold	(587)	(16,508)	-
Gross Profit on Sales	$ 19,009	$ 4,574	$ -
Other Income			
Licenses and Fees	$ 359	$ 113	$ -
Federal Revenue	126	68	32
Charges for Services	115,328	122,504	25,434
Rents and Royalties	12,683	10,107	-
Interest Income	3,556	4,134	-
Donations and Grants (Non-Federal)	3	206	206
Other Revenue	3,782	1,859	250
Total Income	$154,846	$143,565	$ 25,922
Operating Expenses			
Personal Services	$ 48,004	$ 53,432	$ 10,683
Services and Supplies	83,254	79,017	13,597
Debt Service	508	605	57
Depreciation and Amortization	5,498	7,422	-
Total Operating Expenses	$137,264	$140,476	$ 24,337
Net Income (Loss) From Operations	$ 17,582	$ 3,089	$ 1,585
Operating Transfers-In (Out)	15,979	(1,006)	(554)
Net Income (Loss)	$33,561	$ 2,083	$ 1,031
Fund Equity - Beginning	103,642	137,203	1,255
Prior Period Adjustments	-	(459)	-
Fund Equity - Ending	$137,203	$138,827	$ 2,286

Prepared without audit - see letter of transmittal for comments.

EXECUTIVE DEPARTMENT SERVICES	DEPARTMENT OF GENERAL SERVICES	JUSTICE DEPARTMENT SERVICES	PENITEN. INDUSTRY SALES	OTHER DATA PROC. SERVICES	OTHER MOTOR POOLS	MISC. INTERNAL SERVICES
$ 95	$ 17,876	$ 65	$ 2,379	$ 30	$ 409	$ 228
-	(15,544)	-	(964)	-	-	-
$ 95	$ 2,332	$ 65	$ 1,415	$ 30	$ 409	$ 228
$ -	$ 31	$ 42	$ -	$ -	$ -	$ 40
36	-	-	-	-	-	-
10,124	16,184	14,973	-	8,120	39,563	8,106
634	9,473	-	-	-	-	-
-	4,132	-	-	-	-	2
-	-	-	-	-	-	-
10	-	-	59	5	-	1,535
$ 10,899	$ 32,152	$ 15,080	$ 1,474	$ 8,155	$39,972	$ 9,911
$ 5,243	$ 9,736	$ 11,365	$ 1,415	$ 3,725	$ 6,429	$ 4,836
5,127	15,506	3,170	436	2,832	32,150	6,199
-	548	-	-	-	-	-
856	2,734	198	109	435	2,622	468
$ 11,226	$ 28,524	$ 14,733	$ 1,960	$ 6,992	$41,201	$ 11,503
$ (327)	$ 3,628	$ 347	$ (486)	$ 1,163	$(1,229)	$ (1,592)
972	(356)	644	-	-	(2,024)	312
$ 645	$ 3,272	$ 991	$ (486)	$ 1,163	($3,253)	($ 1,280)
4,805	84,977	2,225	2,688	4,021	26,973	10,259
-	-	(774)	-	315	-	-
$ 5,450	$ 88,249	$ 2,442	$ 2,202	$ 5,499	$23,720	$ 8,979

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
INTERNAL SERVICE FUNDS

(Expressed in Thousands)

		For the Fiscal Year Ended June 30, 1982
Sources of Working Capital		
Operations:		
Net Income		$ 2,083
Add Depreciation/Amortization not Requiring Expenditure of Funds		7,422
Total Provided by Operations		$ 9,505
Increase in Long-Term Liabilities	$1,204	
Loan Collection	145	1,349
Total Provided		$10,854
Uses of Working Capital		
Increase in Property and Equipment-Net	$7,212	
Payments on Long-Term Liabilities	1,358	
Total Applied		8,570
Net Increase (Decrease) in Working Capital		$ 2,284
Elements of Net Increase (Decrease) in Working Capital:		
Cash		$ 3,903
Investments		2,988
Receivables		1,467
Inventories		(3,005)
Payables		(3,069)
Net Increase (Decrease) in Working Capital		$ 2,284

Prepared without audit - see letter of transmittal for comments.

The Trust and Agency Fund financial information is allocated as follows:

Public Employe Retirement System Trust funds include retirement funds of the State of Oregon and other municipalities electing to participate in that system. (Note 6, Page 17)

Higher Education Trust funds are primarily gifts and grants restricted to provide loans to students. Also included are deposits held for safekeeping and moneys treated as endowments.

State Lands Trust funds represent the state owned land and other assets held and operated for the benefit of public schools. Lands include approximately 800,000 acres of off-shore lands, 600,000 acres of grazing lands and 132,000 acres of timber producing lands.

Employment Trusts represent funds held by the Employment Division for future payment of unemployment benefits.

Local Government Investment Pool funds are those held and invested for local governments by the State Treasurer. Also includes funds held and invested for SAIF by the State Treasurer.

Adult & Family Service Trust funds are assets which are managed for recipients who are unable to manage their own resources.

Deferred Compensation Trust funds are those amounts of salaries elected to be deferred by state employes. (See Note 7, page 18)

Agency Flow-Through funds are moneys received by state agencies for redistribution to other state agencies or municipalities.

Miscellaneous Trust and Agency funds are composed of funds held by various state agencies.

STATE OF OREGON
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS

(Expressed in Thousands)

ASSETS	As of June 30, 1981	As of June 30, 1982	PUB. EMPL RETIREMENT SYSTEM	HIGHER EDUCATION
Cash on Hand and in Banks	$ 5,372	$ 667	$ -	$ -
Cash on Deposit - State Treasury	570,600	580,924	38,310	4,309
Investments - State Treasury	2,061,008	2,429,945	2,311,742	16,232
Investments - Other	704,021	723,155	100	1,040
Securities Held in Trust	506,649	591,756	-	-
Receivables	115,847	127,192	33,845	2,266
Interfund Receivables	28,625	21,754	-	17,440
Inventories	436	89	25	-
Contracts, Notes and Mortgages Receivable	197,715	242,211	-	56,488
Land, Buildings and Improvements	5,371	5,526	-	-
Equipment	470	599	220	-
Less Allowance for Depreciation	(124)	(152)	(152)	-
To be Provided for Payment of L-T Liabilities	6	3	-	-
Total Assets	$ 4,195,996	$4,723,669	$2,384,090	$ 97,775
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	$ 1,015	$ 1,744	$ 1,254	$ -
Due to Other Governments	44,457	52,927	16,887	-
Interfund Payables	46,009	125,930	-	17,440
Trust Funds Payable	1,364,266	1,497,236	-	2,590
Deferred Income	20	67	-	1
Lease Purchase Contract Payable	6	3	-	-
Total Liabilities	$ 1,455,773	$1,677,907	$ 18,141	$ 20,031
Fund Equity				
Reserve for Encumbrances	$ 658	$ 141	$ 13	$ -
Reserve for Receivables	197,715	242,211	-	56,488
Reserve for Inventories	436	89	25	-
Reserves - Other	388	363	-	-
Invested in Fixed Assets	4,546	5,973	68	-
Reserve for Trust Funds	2,536,480	2,796,985	2,365,843	21,256
Total Fund Equity	$ 2,740,223	$3,045,762	$2,365,949	$ 77,744
Total Liabilities and Fund Equity	$ 4,195,996	$4,723,669	$2,384,090	$ 97,775

Prepared without audit - see letter of transmittal for comments.

STATE LANDS TRUSTS	EMPLOYMENT TRUSTS	LOCAL GOVERNMENT INV. POOL	ADULT & FAMILY SERV. TRUSTS	DEFERRED COMPENSATION	AGENCY FLOW-THRU FUNDS	MISC. TRUST & AGENCY FUNDS
$ -	$ -	$ -	$ (85)	$ -	$ -	$ 752
26,479	217,445	141,757	10,928	11,395	103,241	27,060
101,901	-	-	-	-	-	70
1,816	-	720,199	-	-	-	-
323	54	-	-	-	571,629	19,750
3,004	63,462	12,510	2,078	-	1,828	8,199
-	677	-	2,114	-	3	1,520
9	-	-	-	-	30	25
-	10,462	-	15,581	-	159,514	166
4,304	-	-	-	-	6	1,216
145	-	-	-	-	-	234
-	-	-	-	-	-	-
3	-	-	-	-	-	-
$ 137,984	$ 292,100	$ 874,466	$ 30,616	$ 11,395	$ 836,251	$ 58,992

$ 16	$ -	$ -	$ 86	$ -	$ 388	$ -
15,801	-	-	25	-	20,214	-
110	5,753	-	23,008	-	78,777	842
8,111	109	874,466	1,164	-	573,412	37,384
-	-	-	-	-	-	66
3	-	-	-	-	-	-
$ 24,041	$ 5,862	$ 874,466	$ 24,283	$ -	$ 672,791	$ 38,292
$ 29	$ -	$ -	$ -	$ -	$ 99	$ -
-	10,462	-	15,581	-	159,514	166
9	-	-	-	-	30	25
300	-	-	50	-	2	11
4,449	-	-	-	-	6	1,450
109,156	275,776	-	(9,298)	11,395	3,809	19,048
$ 113,943	$ 286,238	$ -	$ 6,333	$ 11,395	$ 163,460	$ 20,700
$ 137,984	$ 292,100	$ 874,466	$ 30,616	$ 11,395	$ 836,251	$ 58,992

STATE OF OREGON
COMBINING STATEMENT OF REVENUES
TRUST AND AGENCY FUNDS

(Expressed in Thousands)

	Fiscal Year Ended June 30, 1981	Fiscal Year Ended June 30, 1982	PUB. EMPL. RETIREMENT SYSTEM	HIGHER EDUCATION
Revenue				
Selective Sales and Use Taxes	$ 99,510	$ 161,671	$ -	$ -
Gross Receipts Business Taxes	3,855	3,583	-	-
Employer - Employe Taxes	261,798	245,179	-	-
Severance Taxes	54,972	45,880	-	-
Other Taxes	4,431	6,846	-	-
Business Licenses and Fees	2,481	2,085	-	-
Non-Business Licenses and Fees	51,778	52,696	-	-
Federal Revenues	132,697	131,984	-	2,079
Charges for Services	48,713	1,420	-	-
Rents and Royalties	1,999	5,503	-	189
Interest Income	160,191	195,201	148,724	877
Sales Income	17,680	14,173	-	-
Donations and Grants (Non-Federal)	912	1,517	-	848
Contributions - Retirement	632,452	700,085	700,085	-
Loan Repayments	4,558	4,955	-	4,882
Other Revenue	14,641	18,925	-	242
Total Revenue	$1,492,668	$1,591,703	$ 848,809	$ 9,117
Other Financing Sources (Uses)				
Transfers In - Interfund	$ 331,746	$ 477,758	$ 285	$ 1,087
Transfers Out - Interfund	(538,774)	(695,959)	(254)	(903)
Transfers to Cities	(3,673)	-	-	-
Transfers to Counties	(105,598)	(100,341)	-	-
Transfers to Others	(567,658)	(581,756)	(314,162)	-
Total Other Financing Sources (Uses)	$ (883,957)	$ (900,298)	$ (314,131)	$ 184
Net Revenue	$ 608,711	$ 691,405	$ 534,678	$ 9,301

Prepared without audit - see letter of transmittal for comments.

STATE LANDS TRUSTS	EMPLOYMENT TRUSTS	LOCAL GOVERNMENT INV. POOL	ADULT & FAMILY SERV. TRUSTS	DEFERRED COMPENSATION	AGENCY FLOW-THRU FUNDS	MISC. TRUST & AGENCY FUNDS
$ -	$ -	$ -	$ -	$ -	$ 161,671	$ -
-	-	-	-	-	3,583	-
-	202,829	-	-	-	42,350	-
-	-	-	-	-	45,880	-
-	-	-	-	-	6,375	471
-	-	-	-	-	2,085	-
46	-	-	-	-	52,650	-
-	27,269	-	-	-	99,648	2,988
762	-	-	-	(3)	3,491	(2,830)
5,314	-	-	-	-	-	-
13,754	30,921	-	-	744	-	181
690	-	-	-	-	13,476	7
-	-	-	-	-	401	268
-	-	-	-	-	-	-
-	73	-	-	-	-	-
1,165	-	-	-	6,014	10,387	1,117
$ 21,731	$ 261,092	$ -	$ -	$ 6,755	$ 441,997	$ 2,202
$ 10,175	$ 2,085	$ -	$ 120,167	$ -	$ 287,199	$ 56,760
(6,147)	(396,654)	-	-	-	(245,261)	(46,740)
-	-	-	-	-	-	-
-	-	-	-	-	(100,341)	-
-	-	-	-	-	(266,780)	(814)
$ 4,028	$ (394,569)	$ -	$ 120,167	$ -	$ (325,183)	$ 9,206
$ 25,759	$ (133,477)	$ -	$ 120,167	$ 6,755	$ 116,814	$ 11,408

STATE OF OREGON
COMBINING STATEMENT OF EXPENDITURES
TRUST AND AGENCY FUNDS

(Expressed in Thousands)

	Fiscal Year Ended June 30, 1981	Fiscal Year Ended June 30, 1982	PUB. EMPL. RETIREMENT SYSTEM	HIGHER EDUCATION
EXPENDITURES BY BUDGET CATEGORY				
Personal Services	$ 3,922	$ 4,111	$ 1,439	$ -
Services and Supplies	2,975	3,961	708	288
Capital Outlay	-	22	33	-
Special Payments	242,023	420,343	148,378	7,479
Debt Service	-	-	-	-
Non-Limited	739	2,025	28	-
Total Expenditures	$249,659	$430,462	$150,586	$7,767
EXPENDITURES BY PROGRAM AREA				
Economic Develop. and Consumer Serv.	$ -	$ 611	$ -	$ -
Education	4,773	7,968	-	7,767
Human Resources	-	129,466	-	-
Natural Resources	15,359	20,195	-	-
Public Safety	-	-	-	-
Transportation	11,233	5,540	-	-
Administration and Support	218,294	266,682	150,586	-
Legislative	-	-	-	-
Judicial	-	-	-	-
Total Expenditures	$249,659	$430,462	$150,586	$7,767

Prepared without audit - see letter of transmittal for comments.

STATE LANDS TRUSTS	EMPLOYMENT TRUSTS	LOCAL GOVERNMENT INV. POOL	ADULT & FAMILY SERV. TRUSTS	DEFERRED COMPENSATION	AGENCY FLOW-THRU FUNDS	MISC. TRUST & AGENCY FUNDS
$ 866	$ -	$ -	$ -	$ -	$ 1,774	$ 32
369	-	-	-	-	1,714	682
4	-	-	-	-	(16)	1
13,593	-	-	129,466	419	117,680	3,328
-	-	-	-	-	-	-
610	-	-	-	-	-	1,387
$15,442	$ -	$ -	$129,466	$419	$121,152	$5,630
$ -	$ -	$ -	$ -	$ -	$ -	$ 611
-	-	-	-	-	-	201
-	-	-	129,466	-	-	-
15,442	-	-	-	-	3,417	1,336
-	-	-	-	-	-	-
-	-	-	-	-	2,058	3,482
-	-	-	-	419	115,677	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$15,442	$ -	$ -	$129,466	$419	$121,152	$5,630

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN
TRUST AND AGENCY FUND EQUITY

(Expressed in Thousands)

Fund Equity - June 30, 1981		$2,740,223
Prior Period Adjustments		(955)
Excess of 1981-82 Revenues over Expenditures		
Revenues	$691,405	
Less Expenditures	430,462	260,943
		$3,000,211
Changes in Reserves		
Increase in Reserve for Receivables	$ 44,496	
Decrease in Reserve for Inventories	(347)	
Decrease in Reserves - Other	(25)	
Increase in Investment in Fixed Assets	1,427	45,551
Fund Equity - June 30, 1982		$3,045,762

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
SCHEDULE OF GENERAL FIXED ASSETS

(Expressed in Thousands)

	As of June 30, 1981	As of June 30, 1982
Land	$ 425,223	$ 444,723
Buildings	571,335	534,656
Improvements	46,028	35,673
Construction in Process	1,700	3,400
Equipment and Machinery	293,083	308,026
Leasehold Improvements	686	712
Capital Leased Property	108	108
Total	$1,338,163	$1,327,298
Less Allowance for Depreciation	(22,683)	(25,234)
Investment in Fixed Assets and Leased Property	$1,315,480	$1,302,064

Prepared without audit - see letter of transmittal for comments.

STATE OF OREGON
SCHEDULE OF GENERAL LONG-TERM DEBT

(Expressed in Thousands)

	As of June 30, 1981	As of June 30, 1982
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF LONG-TERM DEBT		
Amount Available in Debt Service Fund	$ 52,809	$ 61,475
Amount to be Provided - Long-Term Liabilities	85,452	79,483
Amount to be Provided - Long-Term Debt	353,431	321,701
Total Available and to be Provided	$491,692	$462,659
GENERAL LONG-TERM DEBT PAYABLE		
Bonds Payable		
Board of Higher Education		
Facilities	$ 66,063	$ 64,128
Building Projects	81,825	89,838
Community College and Education Center	38,700	37,560
Oregon Forest Rehabilitation and Reforestation	675	350
Oregon Pollution Control	134,350	129,400
Oregon State Highway	65,200	61,900
Water Resources	19,427	-
Total	$406,240	$383,176
Other Long-Term Liabilities		
Advances From General Fund	4,699	2,341
Contracts, Mortgages & Notes Payable	76,642	72,087
Lease Purchase Contracts Payable	4,107	5,053
Obligations Under Capital Lease	4	2
Total in Long-Term Debt Account Group	$491,692	$462,659

Prepared without audit - see letter of transmittal for comments.

ANALYSIS OF CASH AND INVESTMENTS WITH STATE TREASURY

Most of the state agencies are required to deposit the cash they receive in an account with the State Treasurer. The State Treasurer manages the funds similar to the way a commercial bank would do.

On the following page is an analysis of the cash on deposit - State Treasury account shown in the Combined Balance Sheet as cash maintained by the State Treasurer. The portion of these funds which is considered to be excess funds is invested by the State Treasurer. A schedule of these investments is presented by classification.

Some agencies are allowed to designate amounts of cash to be invested separately by the Treasurer. These amounts, totalling $2,797,711 thousand, are included in the Investments account on the Combined Balance Sheet. A schedule of designated investments by classification is included in the following presentation.

STATE OF OREGON
ANALYSIS OF CASH ON DEPOSIT WITH STATE TREASURER
JUNE 30, 1982

(Expressed in Thousands)

Cash on Deposit - State Treasurer		
Cash on Deposit - State Treasury (Page 21)		$788,780
Adjusted by Outstanding Vouchers, Warrants, and Deposits in Transit - Net		139,493
Total Cash on Deposit with State Treasurer		$928,273
Cash as Maintained by State Treasurer		
Cash Items		
Federal Depositories	$211,940	
State Depositories - Demand Deposits	1,987	$213,927
Net Cash Items		
Investment of Excess Funds		
Short Term	$484,096	
Long Term	230,250	
Total Invested		714,346
Total Cash and Excess Fund Investments		$928,273

STATE OF OREGON

TREASURY DEPARTMENT

CUSTODIAL ACCOUNTS
STATE FUNDS
Investments by Classification
June 30, 1982

(Expressed in Thousands)

CLASS	DESCRIPTION	EXCESS FUNDS	DESIGNATED FUND INVESTMENT
Short Term			
1110	U. S. Treasury Bills	$ -	$ 106,344
1120	U. S. Agency Paper	-	5,825
1130	Bank Repurchases	7,728	-
1210	Time Certificate of Deposit	90,000	-
1220	Bankers Certificate of Acceptance	38,349	-
1310	Utilities	66,137	56,243
1320	Industrial	140,500	18,846
1330	Bank Paper	9,986	13,020
1340	Finance Credit	120,559	18,424
1370	Dealer Repurchases	15,000	30,000
1375	Reverse Repurchases	(4,163)	-
	Total Short Term	$484,096	$ 248,702
Long Term			
2111	U. S. Treasury Coupons	$ 25,174	$ 88,109
2112	U. S. Agency Bonds	16,393	73,135
2113	Canadian Bonds	-	170,226
2114	Municipal Bonds	-	118
2115	GNMA Passthrus and FHLMC	125,815	71,551
2121	Telephone	-	98,994
2122	Electricity	-	220,479
2123	Gas	-	65,797
2130	Industrial Bonds	1,500	216,392
2140	Financial Bonds	-	160,662
2150	Railroad Bonds Equipment Trust	-	71,107
2160	Corporate Railroad Terminal Bonds	-	2,606
2170	Mortgage Passthru Securities	15,097	117,958
2180	Mortgage Backed Securities	-	29,554
2211	Capehart Mortgages	-	4,063
2212	Residential Blocks	26,388	14,851
2213	Apartments and Nursing Homes	-	2,339
2230	Conventional RE Mortgage	5,000	166,986
2240	Equity Real Estate	-	128,500
2241	Equity Real Estate Options	-	74,100
2310	State Agency Loans	-	27
2320	Business Loans	-	10,196
2330	State Tax Deferrals	14,883	-
2400	Equity Funds	-	761,259
	Total Long Term	$230,250	$2,549,009
	Total Investments	$714,346	$2,797,711
		(Page 77)	(Page 21)

STATE OF OREGON
REDISTRIBUTIONS OF REVENUE
FOR THE YEAR ENDED JUNE 30, 1982

(Expressed in Thousands)

Numerous moneys are distributed biennially by the State to local government units and individuals. Redistributions of revenue are recorded and reported in various ways by the state agencies depending on their legislative approved budgets. This is a summary of the distributions that are reported as Transfers-Out, Special Payments Expenditures, or Nonlimited Expenditures in the financial statements. During 1981-82 the State of Oregon made the following distributions:

		REVENUE SOURCE			
	1981-82 TOTAL	NONLIMITED FUNDS	OTHER FUNDS	FEDERAL FUNDS	STATE GENERAL FUND
Cities	$ 52,581	$ 14,539	$ 32,096	$ 4,740	$ 1,206
Counties	336,548	105,708	175,639	13,002	42,199
Other Governmental Units	9,451	2,282	394	5,489	1,286
Nongovernmental Units	20,732	11,530	1,659	8,749	(1,206)
Individuals	1,556,144	617,952	643,344	160,212	134,636
Local School Districts	484,014	401,921	1,282	51,573	19,238
Community Colleges	57,786	142	1,068	3,334	53,242
Other (A)	677,383	32,524	613,228	11,149	20,482
Total	$3,194,639	$1,186,598	$1,468,710	$268,248	$271,083

(A) Some state agencies are using "Other" instead of the more specific classification.

STATE OF OREGON
HISTORICAL STATEMENT OF
BUDGETARY REVENUES

(Expressed in Thousands)

	Fiscal Year Ended June 30,			
	1979	1980	1981	1982
Income Taxes	$ 97[illegible],683	$1,045,400	$1,165,123	$1,093,073
Selective Sales and Use Taxes	145,084	200,890	197,267	213,593
Gross Receipts Business Taxes	36,683	38,966	40,376	40,338
Employer - Employe Taxes	581,742	551,738	73,416	317,043
Inheritance and Gift Taxes	30,395	27,358	35,428	42,216
Severance Taxes	42,739	53,345	49,975	47,625
Other Taxes	3,429	3,905	4,431	6,846
Business Licenses and Fees	24,467	21,068	27,771	27,642
Non-Business License and Fees	124,187	75,181	76,393	82,492
Federal Revenues	721,820	915,315	1,069,192	910,698
Charges for Services	352,393	374,222	423,678	464,000
Fines and Forfeitures	4,253	5,958	5,659	7,187
Rents and Royalties	13,899	20,910	17,715	21,937
Bond Sales	734,754	1,192,640	1,159,080	251,100
Interest Income	384,230	500,672	604,040	683,229
Sales Income	206,115	222,357	225,505	233,695
Cost of Goods Sold	(71,389)	(76,523)	(81,044)	(80,157)
Donations and Grants (Non-Federal)	26,346	28,130	26,860	36,225
Contributions (Retirement)	431,088	496,872	632,452	700,085
Loan Repayments	20,010	222,229	217,540	268,507
Workers Compensation Premiums	*	*	237,497	-
Other Revenue	36,461	94,364	43,797	68,917
Loan Proceeds	-	-	-	4,785
Revenue Transfers (Net)	22,328	(89,704)	75,301	46,758
Total Revenue	$4,844,717	$5,925,293	$6,327,452	$5,487,834

* Included in Employer - Employe Taxes

STATE OF OREGON
HISTORICAL STATEMENT OF
BUDGETARY EXPENDITURES
BY BUDGET AUTHORITY

(Expressed in Thousands)

	Fiscal Year Ended June 30,			
	1979	1980	1981	1982
STATE GENERAL FUND EXPENDITURES				
Personal Services	$ 264,804	$ 312,239	$ 325,879	$ 362,855
Services and Supplies	83,515	91,351	84,851	88,470
Capital Outlay	13,939	20,129	16,701	10,704
Special Payments	706,859	1,019,578	944,850	1,009,738
Debt Service	8,134	8,874	2,970	5,772
Total General Fund	$1,077,251	$1,452,171	$1,375,251	$1,477,539
OTHER FUND EXPENDITURES				
Personal Services	$ 341,367	$ 352,988	$ 385,859	$ 418,665
Services and Supplies	283,133	398,391	649,401	439,940
Capital Outlay	29,402	29,922	27,873	23,098
Special Payments	23,516	47,029	58,635	42,327
Debt Service	5,700	6,406	9,414	9,512
Total Other Funds	$ 683,118	$ 834,736	$1,131,182	$ 933,542
FEDERAL FUND EXPENDITURES				
Personal Services	$ 90,276	$ 101,033	$ 110,592	$ 118,379
Services and Supplies	33,871	38,685	41,098	40,565
Capital Outlay	3,800	3,102	6,504	2,473
Special Payments	357,893	362,405	422,289	326,840
Total Federal Funds	$ 485,840	$ 505,225	$ 580,483	$ 488,257
NON-LIMITED FUND EXPENDITURES				
Personal Services	$ 61,302	$ 83,157	$ 93,938	$ 95,283
Services and Supplies	123,349	136,719	128,376	143,010
Capital Outlay	8,923	8,220	12,880	9,811
Special Payments	1,672,781	2,222,007	1,999,715	1,805,799
Debt Service	243,680	340,553	522,009	575,489
Other	-	1,909	3,436	3,133
Total Non-Limited Funds	$2,110,035	$2,792,565	$2,760,354	$2,632,525
Total Expenditures	$4,356,244	$5,584,697	$5,847,270	$5,531,863

ANALYSIS OF BONDED DEBT

The State of Oregon Constitution provides for the issuance of general obligation debt for a number of purposes. The State may also issue revenue bonds under various State laws.

General obligation bonds are secured by the full faith and credit of the government and are not deemed a primary obligation of any specific fund of the organization.

Revenue bonds such as the housing revenue bonds are not secured by the full faith and credit of the State nor are the bonds an obligation of the State. They are secured and payable only from the obligations of the mortgage lenders as collaterally secured by approved securities or to first mortgage liens on low income family residential property.

The following summary information is provided for the year ended June 30, 1982 to aid in analysis of State bonded debt.

Summary of Changes in Bonded Debt Outstanding.
Summary of General Obligation Debt Service.
Summary of Revenue Bond Debt Service.
Analysis of General Obligation Debt.
Summary of Outstanding Debt and Constitutional and Statutory Provisions.
Summary of Oregon State Constitutional Provisions regarding General Obligation Debt.

STATE OF OREGON
SUMMARY OF CHANGES IN BONDED DEBT
OUTSTANDING

(Expressed in Thousands)

	BONDS OUTSTAND. July 1, 1981	DEBT INCURRED DUR. YEAR	DEBT REDUCED DUR. YEAR	BONDS OUTSTAND. June 30, 1982
General Obligation Bonds				
General Fund Obligations				
Oregon Forest Rehabilitation Bonds	$ 675	$ -	$ 325	$ 350
Community College Bonds	38,700	-	1,140	37,560
Higher Education Facilities Bonds	66,063	-	1,935	64,128
Pollution Control Bonds	134,350	-	4,950	129,400
Total General Fund Obligations	$ 239,788	$ -	$ 8,350	$ 231,438
Dedicated Fund Obligations				
Oregon Veterans' Welfare Bonds	$5,094,000	$180,000	$157,000	$5,117,000
Higher Education Project Bonds	81,825	11,710	3,697	89,838
Oregon State Highway Bonds	65,200	-	3,300	61,900
Elderly Housing Bonds	23,025	17,740	115	40,650
Water Resources Bonds	19,427	3,775	322	22,880
Alternate Energy Bonds	-	19,700	-	19,700
Total Dedicated Fund Obligations	$5,283,477	$232,925	$164,434	$5,351,968
Total General Obligation Bonds	$5,523,265	$232,925	$172,784	$5,583,406
Revenue Bonds				
Housing Bonds	376,490	18,175	9,230	385,435
Economic Development (note 11)	107,893	37,150	1,789	143,254
Total Obligation	$6,007,648	$288,250	$183,803	$6,112,095

STATE OF OREGON
SUMMARY OF GENERAL OBLIGATION DEBT SERVICE
June 30, 1982

(Expressed in Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL REQUIRED
1982-83	$ 174,586	$ 378,175	$ 552,761
1983-84	206,914	369,386	576,300
1984-85	236,823	357,178	594,001
1985-86	233,813	344,900	578,713
1986-87	233,228	332,204	565,432
1987-88	238,724	319,520	558,244
1988-89	230,687	306,695	537,382
1989-90	242,712	294,581	537,293
1990-91	263,746	281,204	544,950
1991-92	260,245	264,092	524,337
1992-93	270,598	247,595	518,193
1993-94	272,644	230,769	503,413
1994-95	278,341	211,735	490,076
1995-96	278,051	191,568	469,619
1996-97	277,953	172,325	450,278
1997-98	267,796	152,566	420,362
1998-99	217,263	133,483	350,746
1999-00	206,804	115,749	322,553
2000-01	174,838	99,013	273,851
2001-02	174,431	84,158	258,589
2002-03	161,091	69,456	230,547
2003-04	147,215	56,464	203,679
2004-05	126,992	44,548	171,540
2005-06	104,575	33,850	138,425
2006-07	104,713	24,263	128,976
2007-08	103,677	14,661	118,338
2008-09	63,596	6,383	69,979
2009-10	14,700	2,500	17,200
2010-11	2,130	1,641	3,771
2011-12	1,445	1,376	2,821
2012-13	1,635	1,191	2,826
2013-14	1,845	982	2,327
2014-15	110	865	975
2015-16	125	850	975
2016-17	140	834	974
2017-18	155	816	971
2018-19	175	796	971
2019-20	200	773	973
2020-21	225	747	972
2021-22	7,850	718	8,568
2022-23	290	58	348
2023-24	325	20	345
TOTALS	$5,583,406	$5,150,688	$10,734,094

(Note 10)

HOUSING DIVISION
SUMMARY OF REVENUE BOND DEBT SERVICE
June 30, 1982

(Expressed in Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL REQUIRED
1982-83	$ 15,140	$ 27,708	$ 42,848
1983-84	17,315	26,540	43,855
1984-85	20,605	25,418	46,023
1985-86	20,020	24,220	44,240
1986-87	18,780	23,051	41,831
1987-88	15,135	21,939	37,074
1988-89	14,490	20,992	35,482
1989-90	13,800	20,069	33,869
1990-91	13,465	19,159	32,624
1991-92	12,695	18,266	30,961
1992-93	12,170	17,402	29,572
1993-94	11,450	16,571	28,021
1994-95	11,265	15,754	27,019
1995-96	10,675	14,945	25,620
1996-97	10,210	14,162	24,372
1997-98	10,040	13,392	23,432
1998-99	9,305	12,656	21,961
1999-00	9,490	11,938	21,428
2000-01	9,680	11,197	20,877
2001-02	9,845	10,439	20,284
2002-03	9,990	9,664	19,654
2003-04	10,135	8,870	19,005
2004-05	10,300	8,057	18,357
2005-06	10,470	7,223	17,693
2006-07	10,630	6,367	16,997
2007-08	10,825	5,487	16,312
2008-09	10,715	4,592	15,307
2009-10	19,560	3,398	22,958
2010-11	9,600	2,222	11,822
2011-12	7,730	1,420	9,150
2012-13	6,010	756	6,766
2013-14	3,895	231	4,126
TOTALS	$385,435	$424,105	$809,540

(Note 10)

STATE OF OREGON
ANALYSIS OF GENERAL OBLIGATION DEBT

(Expressed in Whole Dollars)

	June 30				
	1978	1979	1980	1981	1982
Total General Obligation Debt[1/]	$2,991,466,000.	$3,594,024,000	$4,844,741,000.	$5,523,265,000.	$5,673,406,000.
Revenue Supported General Obligation Debt	$2,865,001,000.	$3,467,829,000	$4,706,122,631.	$5,377,521,631.	$5,532,547,631.
Non-Revenue Supported General Obligation Debt	$126,465,000.	$126,195,000.	$138,618,369.	$145,743,369.	$142,038,369.
Population [2/]	2,472,000.	2,544,000.	2,646,200.	2,646,200.	2,660,435.
Total Debt per Capita	$1,210.14	$1,412.75	$1,830.83	$2,087.24	$2,132.51
True Cash Value (TCV)	$46,646,448,760.	$59,025,276,078.	$73,401,711,033.	$82,426,835,098.	$82,426,835,098.
Total Debt as Percent TCV	6.41%	6.09%	6.60%	6.70%	6.88%
Non-Revenue Supported General Obligation Debt per Capita	$51.16	$49.60	$52.38	$55.08	$53.39
Non-Revenue Supported General Obligation Debt as Percent TCV	.27%	.21%	.19%	.18%	.17%
Total Personal Income	$17,110,359,000.	$19,807,893,000.	$22,460,154,000.	$24,613,500,000.	$26,482,500,000.
Revenue Supported General Obligation Debt as Percent Total Personal Income [3/]	16.74%	17.51%	20.95%	21.85%	20.89%
Non-Revenue Supported General Obligation Debt as Percent Total Personal Income	.74%	.64%	.62%	.59%	.54%

1/ Includes short-term obligation of $90 million in tax exempt commercial paper.
2/ Population figures are as of July 1 each year. Source: Center for Population Research, Portland State University.
3/ Total personal income is based on calendar year averages of preceding year: this tends to overstate percentages shown.
Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.
Source: State of Oregon, Treasury Department, Municipal Bond Division

STATE OF OREGON
SUMMARY OF OUTSTANDING DEBT
AND CONSTITUTIONAL AND STATUTORY PROVISIONS
June 30, 1982

(Expressed in Thousands)

PURPOSE/DEPARTMENT	CONSTITU. 1/ PROVISION	CONSTITU. DEBT LIMIT	STATUTORY DEBT LIMIT	AMOUNT ISSUED	AMOUNT OUTSTAND.	AUTHORIZA. 2/ REMAINING
GENERAL OBLIGATION BONDS						
General Fund:						
Higher Education						
Facilities	ART XI-G	3/4% TCV		92,083	$ 64,128	$516,513
Community College & Education Center	ART XI-G	3/4% TCV		44,645	37,560	
State Power Development	ART XI-D	1-1/2% TCV	-	-	-	1,236,403
General Purposes 1/	ART XI-Sec 7	$50		-	-	50
Oregon Forest Rehabilitation & Reforestation	ART XI-E	3/16% TCV	$ 750/yr	13,350	350	154,200
Oregon Pollution Control *(30% General Fund)	ART XI-H	1% TCV	$ 260,000	160,000	38,820	130,600
Fully Self-Supporting:						
Higher Education Building Projects	ART XI-F (I)	3/4% TCV	-	145,793	89,838	528,363
Oregon State Highway	ART XI-Sec 7	1% TCV	various (see ORS 367)	246,050	61,900	762,368
Irrigation, Drainage and Water Projects	ART XI-I	1-1/2% TCV	-	23,366	22,880	1,213,523
Elderly Multi-family Housing	ART XI-I	1/2% TCV	-	40,765	40,650	371,484
Oregon Veteran's Welfare	ART XI-A	8% TCV		6,035,000	5,117,000	1,477,146
Alternate Energy Projects	ART XI-J	1/2% TCV		19,700	19,700	392,434
Oregon Pollution Control *(70% Self-Supporting)	(see above)			(see above)	90,580	(see above)
Total General Obligation Bonds				6,820,752	$5,583,406	
REVENUE BONDS						
Board of Forestry						
Forest Development Financing			$ 500 (ORS 530.140)	-	-	$ 500
Department of Commerce, Housing Division						
Housing Project Financing			$ 1,030,000 (ORS 456.661)	405,570	$ 385,435	$644,565
Oregon Mass Transportation						
Financing Authority (Note 11)			$ 50,000 (ORS 391.550)	17,100	$ 16,955	$ 33,045
INDUSTRIAL DEVELOPMENT REVENUE BONDS						
Department of Economic Development						
Short-Term Debt 1/	ART XI-Sec 7	$50	(ORS 280.310)	150,323	$ 143,254	- $50

1/ The State of Oregon may not incur indebtedness exceeding $50,000 without a constitutional amendment approved by voters.
2/ Based on the January 1, 1981 True Cash Value (TCV) of $82,426,835,098.

STATE OF OREGON
Summaries of Oregon State Constitutional Provisions Regarding General Obligation Debt

ARTICLE IX

Section 2 of this Article states that the legislature shall provide for raising enough revenue to defray the expenses of the State for each fiscal year and also to pay the interest on the State debt. Section 3a of this Article restricts the use of gasoline taxes and other highway-user taxes to activities associated with the State's roads, including the retirement of bonds where these taxes have been pledged as the source of revenue. In addition, however, taxes on recreational vehicles may be used to acquire and care for parks and recreation areas. Section 6 requires the legislature to increase taxes to cover deficits occurring in the previous year and estimated expenses for the ensuing year.

ARTICLE XI

Section 7 limits the State's indebtedness for purposes not otherwise provided for in the constitution to $50,000 and for building and maintaining roads to 1% TCV of property in the state. The section does not apply to real property leases up to 20 years entered into by the State for a public purpose.

ARTICLE XI-A

Section 1 of this Article authorizes the State to borrow up to 8% TCV of property in the state to create the Oregon War Veteran's Fund. Section 2 states that bonds of the Oregon War Veteran's Fund shall be a direct obligation of the state. An annual tax of up to 2 mills on all taxable property within the State is allowed by Section 4 as a source of interest and repayment for the bonds. This amount of tax however is limited by Statute to 0.25 mill.

ARTICLE XI-D

This Article establishes a debt limit of 1.5% TCV of all taxable property in the State to provide primarily for the development of hydroelectric power.

ARTICLE XI-E

This Article establishes a maximum debt limit of 3/16% TCV of all taxable property in the State to provide for the reforestation of land which the State currently owns and that which it may acquire for the purpose of reforestation. Funds generated from the reforested lands must be used to repay any outstanding debt issued under this provision and property taxes are also authorized to assist in repaying this debt. A debt limit of $750,000/year is currently set by statute.

ARTICLE XI-F(I)

Here the constitution provides a debt limit of 3/4 of 1% TCV of all taxable property in the State for higher education building projects (which are limited by statute to $90.5 million in total indebtedness). These projects must be wholly self-supporting and self-liquidating from revenues, gifts, grants or building fees. If the projects do not provide enough funds to repay the debt and the interest on the debt, property taxes are allowed.

ARTICLE XI-G

In addition to the debt provisions of Article XI-F(I) this article allows a debt limit of up to 3/4 of 1% TCV for higher education projects (including those of community colleges). Unlike Article XI-F(I), however, these projects cannot be totally self-supporting. Property taxes are allowed to repay this debt and its interest. In addition, any funds spent under this provision must be matched by the legislature from the General Fund.

ARTICLE XI-H

Funds for pollution abatement projects of State and local government agencies may be borrowed under this section, up to 1% TCV of all taxable property in this State. Facilities acquired under this program are required to "conservatively appear" to be at least 70% self-supporting and self-liquidating from revenues, gifts, grants from the Federal Government, user charges, assessments and other fees. Property taxes are provided as a source of additional revenue to support these bonds.

ARTICLE XI-I(1)

Funds for loans to construct water development projects for irrigation and drainage may be borrowed up to 1½% TCV of all the property within the state. Property taxes may be levied to repay this debt if revenues are insufficient.

ARTICLE XI-(2)

Authorizes funds for additional financing for multifamily housing for elderly households of low income. Debt outstanding for this purpose may not exceed 1/2 of 1% TCV of all taxable property in the state. Property taxes may be levied to repay this debt if revenues from loan repayments are insufficient.

ARTICLE XI-J

Authorizes borrowing to provide funds for loans for small scale local energy projects, up to 1/2 of 1% TCV of all taxable property in the state. Property taxes may be levied to repay this debt if revenues from loan repayments are insufficient.

APPROVED BY:

Dave Frohnmayer

ATTORNEY GENERAL, State of Oregon

THE STATE'S ECONOMY

The following information on the state's economy, obtained from sources indicated, may be relevant in evaluating the economic and financial condition and future prospects of the state. The data do not present all factors which may relate to the state's economic and financial affairs and may require economic analysis in order to determine their importance to the state. The data may be subject to differing interpretations depending on the economist or financial analyst consulted.

An Overview

The overall economy of the state improved in the decade of 1970-1980 in comparison to national economic trends. The state's dependence on the lumber and wood products industries declined since 1950 from about 59% of total manufacturing employment to about 31.3% in 1981. At the same time, high technology industries now account for about 22.3% of total manufacturing employment. Agricultural diversity is possible because of the state's varied topography, climate and soils.

Most manufacturing, agriculture and population of the state is concentrated in the Willamette River Valley, which extends north to south through the western portion of the state comprising 11.3% of the state's total land area.

Population and per capita income in Oregon have increased at rates significantly above national averages in the last decade. In the late 1970's, Oregon's population grew at a rate of three or four times the national average. However, 1981 marked a reversal of this trend as the state registered an increase of only 0.78% over 1980 while the nation's population grew by 1.24%.

Portland is Oregon's largest city, situated at the confluence of the Columbia and Willamette Rivers. The greater Portland area is the most diversified manufacturing center on the West Coast and the largest seaport for tonnage in the Pacific Northwest. The Port of Portland is the largest export port on the West Coast and on February 18, 1980 was the port of entry for the first ship to bring cargo from the People's Republic of China in thirty years. Port of Portland activity was slightly lower in fiscal year 1979-80 due to nationwide recession and the temporary effects resulting from the eruption of Mt. St. Helens, a volcano in the State of Washington.

The lumber industry is still considered a bellwether of economic trends in the state. Because of its dependence on trends in national housing and other construction activity, the industry is closely related to the performance of the national economy. On the downturn, lumber is the first to decline. Its recovery leads the rest of the economy and in the past, has been considered essential to economic well-being. Changing employment patterns and increasing economic diversity are partially changing this causal relationship.

The Oregon economy is also particularly sensitive to U.S. monetary policy. In the past few years of rampant nationwide inflation, the Consumer Price Index in Portland has exceeded national levels.

Agriculture is often classed as Oregon's second largest industry. Agricultural employment has dropped in the last decade due to less labor-intensive production methods. The agricultural sector of the economy is well diversified. Farm income, although affected by the international value of the dollar, has shown recent improvement.

The shortage and rising cost of energy affect the economic condition of the state. The Oregon Department of Energy publishes an annual report forecasting the energy situation as it affects Oregon, including trends and policy options.

Summary of Economic Trends

Following World War II, the Oregon economy exhibited rather slow growth performance for about two decades. However, beginning in the mid-sixties, the economy of the state began a period of more rapid growth, better economic diversification, and improvement in comparison to national trends.

During the period from 1964 to 1974, the real value of goods and services produced in the state increased at an average annual rate of 4.7%, as compared to 3.1% average expansion from 1950 to 1963. During the same decade, Oregon also outpaced the mean annual real growth attained by the United States economy as a whole. Further, the period from 1970 to 1978 saw an annual real growth rate in Oregon of 5.41% as compared with a 3.35% national rate.

This economic growth, outpacing national growth, resulted in corresponding advances in real personal income and employment, as well as attracting increasing numbers of new residents from other states. From 1970 to 1980, Oregon population grew 26.5% compared with only 11.1% nationwide. About two-thirds of the increase in Oregon was due to net migration.

The decade from 1970 to 1980 brought more accelerated growth to the state. Per capita income increased from 94.1% of the national average in 1970 to 97.9% in 1980. Reliance on the state's primary industry, lumber and wood products, decreased from an annual average of 38.8% of total manufacturing employment in 1970 to an annual average of 31.3% in 1981. Greater economic diversification was led by the increase in the same period in high technology employment (machinery, electrical equipment and supplies, instruments and related products) from about 12% to 22% of total manufacturing employment.

Unemployment as a percent of the labor force continues to be above the national average by about one to two percent in the last decade. However, Oregon average employment growth outpaced labor force growth, whereas nationally labor force growth exceeded employment growth. Oregon's total nonagricultural employment increased 30.6% from 1972-1981 while population increased 21.9%.

The state remains slightly more sensitive than the national average to national economic cycles, according to measurement by leading economic indicators.

Certain outstanding features of economic development over the last decade are summarized below.

1970 - Nationwide recession in progress.

1971 - Beginning of economic recovery in Oregon and nation; beginning of slow upswing in lumber industry; labor management disputes slow economic growth.

1972 - Improving economic condtions; lumber and non-wood products manufacturing expansion; rapid population growth in urban areas; construction industry expansion.

1973 - Employment growth in manufacturing retail trade services and government; record levels of employment; cyclical upturn in economy; expanded business activity; gains in employment and payrolls; increases in corporate profits, wholesale and retail trade; national energy shortage.

1974 - Tourist industry dislocation; declining economic growth; record high declining economic growth; record high inflation; gradually rising employment; growing regional markets; population gains.

1975 - Leveling off of business expansion; slowing of construction activity; high unemployment; nationwide recession; stagnation of economic growth; record stagnation of economic growth; record grain crop, decline in farming employment.

1976 - End of recession; record high unemployment; lag in unemployment and employment response to business recovery; tourist industry recovery.

1977 - Record income levels; dropping unemployment; high national housing demand and lumber and wood products employment; growth in fabricated metals, electronics, transportation equipment, machinery.

1978 - Strong economic performance; employment gains in construction and durable goods; near-capacity production in lumber and wood products; high housing demand; nonresidential construction increase; paper industry strike.

1979 - Tight money; rising interest rates; energy shortage; railcar shortage affecting lumber and agriculture; housing industry slowdown; rampant inflation; recessionary influences; new ship repair operations at Port of Portland; higher inflation than nationally; employment growth in transportation, communications, utilities; high tourism.

1980 - Nationwide recession, inflation above national average; rising unemployment; housing industry decline; slowing labor force growth; more service orientation of economy; extensive layoffs in lumber and wood products sector.

Uncertain factors may exist which could affect the state's economy and financial condition, such as social circumstances, the state of the national economy, availability of energy supply, and outward environmental conditions. These factors are largely outside the control of the State and in some cases beyond the control of the nation.

Economic Diversification

Oregon has been successful in the past decade in attracting new industries and encouraging expansion of high technology employment and commerce, in spite of intense competition from other states.

The trend in the past ten years has been toward less dependence on Oregon's primary industry, forest products.

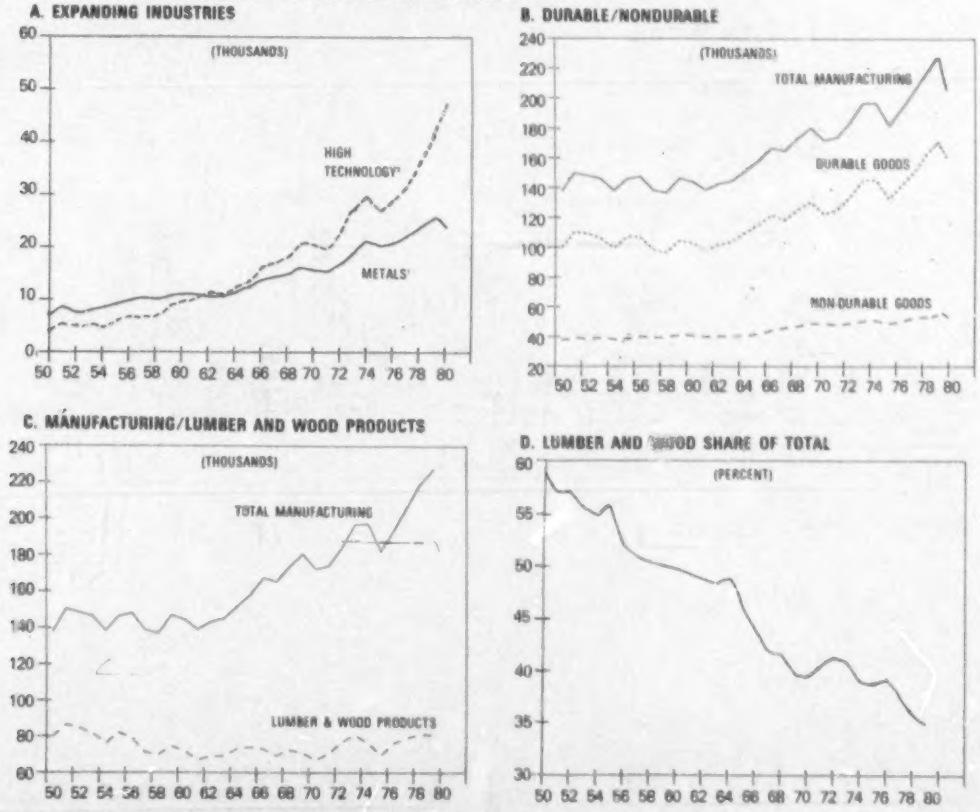
Lumber and wood products have declined in the proportion they hold of Oregon manufacturing employment from 38.8% in 1970 to 31.4% in 1981. This occurred during a period when Oregon's Gross State Product grew at an average real rate of 5.41% compared with a Gross National Product average real growth rate of only 3.35%. In the same period paper and allied products dropped from 5.5% to 5.1% of manufacturing employment.

The decade brought the largest employment gains in the area in high technology, from 12.2% to 22.3% of total employment. This category, which included machinery, electrical equipment and supplies and instruments and related products, can be expected to continue rapid expansion, based on national trends and forecasts.

Metals, both primary and fabricated, have also shown a substantial increase in the proportion of Oregon employment represented. Food products manufacturing employment has declined slightly in significance.

Exhibit 1 shows graphically the growth of metals and high technology employment, the relatively lesser importance of lumber and wood products employment to the Oregon economy and trends in distribution of durable and nondurable goods since 1950.

EXHIBIT 1 — MANUFACTURING EMPLOYMENT TRENDS, 1950-1980



1 - Metals: SIC codes Primary and Fabricated Metals

2 - High Technology: SIC codes Machinery, Electrical Equipment and Supplies, Instruments and Related Products

Data Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics

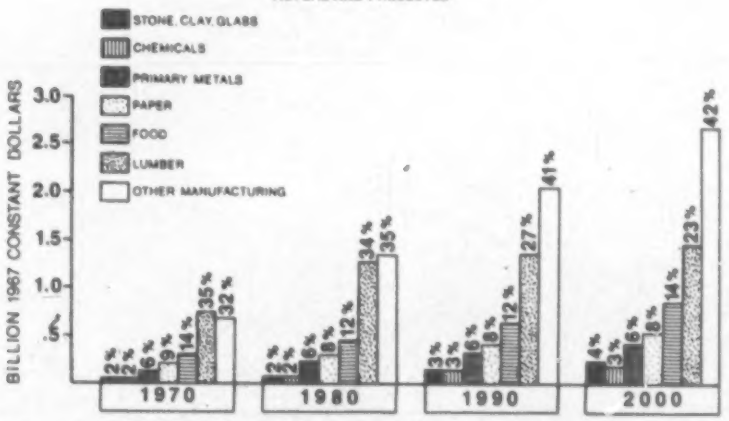
Value Added in Manufacturing

The Oregon Department of Energy, using historical growth patterns, forecasts labor productivity and value added in manufacturing through the year 2000 as part of its econometric model for determining the energy outlook for the state.

Using SIC codes, total manufacturing value added is expected to grow at an overall rate of 3.9% annually, only slightly lower than the historical rate of 4.1%. Exhibit 2 presents a comparison of the relative contributions of the various industries, historically and projected over the forecast period.

EXHIBIT 2

REAL MANUFACTURING VALUE ADDED IN OREGON: ACTUAL AND PROJECTED



Source: State of Oregon, Department of Energy, Fifth Annual Report, January, 1981

EMPLOYMENT AND UNEMPLOYMENT

Nonagricultural Employment Trends

Total nonagricultural wage and salary employment in Oregon rose from 774,300 in 1972 to 1,019,300 in 1981, an increase of 31.6%. By major industry sector, nonmanufacturing increased more rapidly than manufacturing during this period. Nonmanufacturing employment increased 38.2% while manufacturing employment increased by 10.5%.

The discussion of employment trends by sector is based on data compiled by Standard Industrial Classification (SIC) codes.

Exhibit 4 presents Oregon nonagricultural wage and salary employment since 1972. Exhibit 5 compares Oregon and U.S. nonagricultural employment in 1980.

EXHIBIT 4

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT[1]
Calendar Year Averages
1972 Standard Industrial Classification
(Numbers in Thousands)[2]
(Not seasonally adjusted)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
Total All Industries	774.3	816.2	837.9	837.4	878.5	936.9	1,005.1	1,051.0	1,044.6	1,019.3
Manufacturing	184.0	196.9	196.8	182.1	193.7	206.1	218.1	227.3	215.1	203.3
Durable Goods	134.2	145.6	145.2	132.8	142.6	152.1	164.8	170.8	159.6	148.5
Lumber & Wood Products	77.3	80.9	76.7	69.6	78.4	79.4	81.4	80.8	69.5	63.8
Logging & Sawmills	39.2	41.0	41.0	36.6	39.7	40.8	41.4	41.9	36.9	33.0
Veneer & Plywood	25.8	25.9	23.8	21.8	23.7	24.3	24.7	24.0	20.5	19.0
Millwork & Structural Wood	8.1	8.3	5.5	5.6	6.7	7.3	7.9	7.7	6.2	6.2
Mobile Homes	1.7	1.8	1.7	1.8	2.1	2.6	2.9	3.0	2.1	1.9
Other Wood Products	4.5	5.0	4.7	3.8	4.2	4.4	4.5	4.2	3.8	3.7
Furniture & Fixtures	3.8	3.8	3.1	3.0	2.9	3.1	3.1	2.9	2.6	2.5
Stone, Clay, & Glass Products	3.5	3.6	3.6	3.3	3.6	3.8	4.2	4.3	4.5	3.9
Primary Metals	7.7	8.9	10.1	9.5	9.3	9.7	10.4	11.0	11.0	10.2
Fabricated Metals	8.8	9.5	10.2	9.7	10.3	11.7	12.9	13.5	12.7	11.7
Machinery	10.1	12.0	12.6	11.6	11.7	13.5	15.4	17.3	17.7	18.0
Electrical Equipment & Supplies	3.1	3.6	3.9	3.6	3.9	4.6	6.0	8.5	9.8	10.0
Transportation Equipment	8.1	9.1	9.4	8.4	9.5	9.9	12.1	12.2	10.3	9.0
Instruments & Related Products	9.8	11.8	13.3	12.1	12.6	14.2	17.3	18.1	19.3	17.4
Miscellaneous Manufacturing	2.4	2.4	2.3	2.0	2.2	2.2	2.0	2.2	2.2	2.6
Nondurable Goods	49.8	51.3	51.6	49.3	51.3	54.0	53.3	56.5	55.5	54.8
Food & Kindred Products	23.4	23.4	23.3	22.4	22.9	24.1	24.0	25.1	24.3	24.1
Textile Mill Products	2.5	2.4	2.4	2.1	2.2	2.1	2.2	2.1	2.0	1.8
Apparel	3.1	3.4	3.5	3.2	3.5	3.4	3.3	3.0	3.2	2.9
Paper & Allied Products	9.0	9.0	10.1	9.6	9.8	10.4	8.7	9.7	10.4	10.3
Printing & Publishing	7.2	7.7	7.9	7.7	8.2	8.8	9.4	10.0	10.0	10.3
Chemicals & Allied Products	2.0	2.1	2.1	2.1	2.2	2.3	2.4	2.4	2.3	2.2
Petroleum Refining	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.7	0.8	0.5
Rubber & Plastic Products	1.3	1.8	1.6	1.5	1.8	2.1	2.4	2.6	2.4	2.5
Leather Products	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Nonmanufacturing	590.3	619.3	641.1	655.3	684.8	730.8	787.0	823.7	829.5	816.0
Mining & Quarrying	1.7	1.9	1.8	1.7	1.5	1.8	2.0	2.3	2.3	2.2
Contract Construction	38.8	39.0	39.0	35.3	38.6	42.6	48.4	53.0	48.5	37.6
Transportation, Comm., & Utilities	50.3	52.3	52.5	50.2	51.2	53.7	56.8	58.7	60.5	59.7
Transportation	31.2	32.0	32.7	30.8	31.0	32.8	34.5	35.8	35.4	34.4
Communications	12.2	12.6	12.8	12.5	12.5	13.3	14.5	15.7	16.3	16.2
Utilities	6.9	6.8	7.0	6.9	7.1	7.5	7.8	8.2	8.8	9.1
Trade	177.8	187.9	194.2	199.4	210.9	225.7	244.7	256.5	255.6	253.7
Wholesale	48.6	51.0	53.5	53.1	55.0	58.5	63.2	66.7	67.4	67.1
Retail	129.0	136.3	140.7	146.3	155.9	167.2	181.5	189.8	188.2	186.6
Finance, Insurance, & Real Estate	43.2	47.2	48.0	48.9	51.9	57.6	63.8	69.0	70.0	68.4
Services	123.2	130.7	137.1	142.7	151.1	162.6	173.7	183.9	191.4	192.2
Government	157.5	160.3	168.5	177.1	181.0	188.8	196.6	199.3	203.2	202.2
Federal	26.0	25.9	26.6	28.9	27.4	27.7	28.0	29.3	30.8	29.9
State	43.4	44.8	46.8	49.9	51.0	52.1	53.9	54.0	55.3	53.2
Local	88.1	89.6	95.1	100.3	103.2	107.0	114.7	116.0	117.1	119.1

1 - Includes full and part-time nonfarm wage and salary workers. Job totals are on a place of work basis and are not adjusted for multiple job holders. Data are thus not directly comparable to total employment data given elsewhere in this publication.
2 - Excludes 100 or more workers involved in labor management disputes.
Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.

EXHIBIT 5

COMPARATIVE NONAGRICULTURAL EMPLOYMENT, 1981

	Oregon			U.S.		
	Employment (In thousands)	Percent of Total Manufacturing Employment	Percent of Total Nonagricultural Employment	Employment (In thousands)	Percent of Total Manufacturing Employment	Percent of Total Nonagricultural Employment
Manufacturing	203.3	100.0%	20.1%	20,261	100.0%	22.1%
Durable	148.5	73.0	14.6	12,136	60.0	13.3
Lumber & Wood	63.8	31.4	6.3	679	3.4	0.7
Furniture & Fixtures	2.5	1.2	0.2	477	2.4	0.5
Stone, Clay & Glass	3.9	1.9	0.4	650	3.2	0.7
Metals	21.4	10.5	2.1	2,712	13.4	3.0
High Technology[1]	45.4	22.4	4.5	5,364	26.5	5.9
Transportation Equipment	9.0	4.4	0.9	1,838	9.1	2.0
Miscellaneous Manufacturing	2.5	1.2	0.2	415	2.0	0.5
Non-Durable	54.8	27.0	5.4	8,125	40.0	8.8
Food	24.1	11.8	2.3	1,684	8.3	1.8
Textiles & Apparel	4.6	2.3	0.5	2,095	10.4	2.3
Paper	10.3	5.1	1.0	692	3.4	0.8
Printing & Publishing	10.3	5.1	1.0	1,288	6.4	1.4
Chemicals	2.2	1.1	0.2	1,107	5.5	1.2
Miscellaneous[2]	3.3	1.6	0.4	1,187	6.0	1.3
Contract Construction	37.6	—	3.7	4,307	—	4.7
Transportation, Communication & Public Utilities	59.7	—	5.9	5,151	—	5.6
Wholesale & Retail Trade	253.7	—	24.9	20,738	—	22.7
Finance, Insurance & Real Estate	68.4	—	6.7	5,331	—	5.8
Selected Services & Mining	192.2	—	18.9	19,702	—	21.5
Government	202.2	—	19.8	16,054	—	17.5
Federal	29.9	—	2.9	2,772	—	3.0
State & Local	172.3	—	16.9	13,282	—	14.5
TOTAL	1,019.3			91,544		

1 - High Technology includes SIC codes Machinery, Electrical Equipment and Supplies and Instruments.

2 - Miscellaneous includes SIC codes Petroleum Refining, Rubber, Leather, and Tobacco.

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.

Manufacturing Employment Trends

The major trend which appeared in manufacturing employment in Oregon from 1972 to 1981 was the increasing diversification of the economy and decreasing dependence on lumber and wood products as the primary industry. Since 1950, lumber and wood manufacturing employment's share of total manufacturing employment has dropped from about 60% to about 31.4%.

The manufacturing of durable goods has consistently comprised a larger segment of manufacturing employment than nondurable goods. In the period from 1972 to 1981, manufacturing employment of durable goods has increased at an average annual rate of 1.66% compared with an average annual rate of .47% for nondurable goods. Recessionary influences resulted in negative growth in manufacturing employment in 1981.

The area of manufacturing employment which has shown the greatest increase has been high technology industries including machinery, electrical equipment, instruments, and electronics. Since 1954 when the industry entered Oregon, growth has been fairly steady. Increasing from 12.2% of total manufacturing employment in 1970, the industry comprised 22.3% of that sector in 1981.

Another area of employment growth has been in primary and fabricated metals, in which the manufacturing employment share increased from 8.8% in 1972 to 10.5% in 1981.

Exhibit 6 lists manufacturing employers with one thousand or more employes. About one-third of the firms are in the forest industry.

EXHIBIT 6
STATE OF OREGON
MANUFACTURING EMPLOYERS WITH 1,000 OR MORE EMPLOYES

Firm Name	Product(s)	Number Employed
Tektronix, Inc	Electronic instruments	17,000
Weyerhaeuser Co. Inc.	Lumber and wood products	6,400
Boise Cascade Corp.	Lumber, wood and paper products	4,800
Crown-Zellerbach Corp.	Wood and paper products	4,100
Georgia Pacific Corp.	Lumber, wood and paper products	3,600
Willamette Industries	Lumber and wood products	3,400
Intel Corp.	Semiconductor integrated circuits	3,000
Roseburg Lumber Co.	Lumber and wood products	2,900
Freightliner Corp.	Transportation equipment	2,500
Champion Building Products	Lumber and wood products	2,300
Hewlett Packard Corp.	Electronic instruments	2,000
Publisher's Paper Company	Wood products and paper	2,000
Bohemia, Inc.	Forest products	1,800
Medford Corp.	Lumber and wood products	1,700
Precision Castparts Corp.	Primary metal products	1,600
Omark Industries, Inc.	Fabricated metal products	1,500
Boeing of Portland	Transportation equipment	1,400
ESCO Corp.	Cast construction equipment	1,400
International Paper Company	Veneer and paper	1,400
Teledyne Wah Chang Albany	Zirconium castings	1,400
Northwest Marine Iron	Ship Repair	1,300
FMC Corp.	Transportation equipment	1,100
Hyster Co., Inc.	Industrial lift trucks	1,100
Jantzen, Inc.	Textile products	1,000
Oregonian Publishing Company	Newspaper	1,000

Note: Some of the above firms operate from two or more locations throughout the state.
Source: State Department of Economic Development, Directory of Oregon Manufacturers 1981.

DURABLE GOODS

Lumber and Wood Products

Forest products, still Oregon's major manufacturing industry, is affected by limited timber supply and economic conditions affecting the demand for housing nationwide.

Employment in lumber and wood products between 1972 and 1981 showed short-term cyclical fluctuations due primarily to national economic trends rather than the availability of timber. Cyclical trends tend to deemphasize longer term decline that is expected to occur through 2005. The nonagricultural wage and salary employment for lumber and wood products was 77,300 and in 1972, peaked at 83,800 in June, 1979 and dropped to an average of 63,800 in 1981. As of March 1982, employment in wood products had fallen to 55,300.

Between 1972 and 1980 this industry employed between 42% and 31% of all nonagricultural and salary employes engaged in manufacturing in a general downward trend. State estimates show that 49% of Oregon is forested and that total manufacturing from all forest products in 1978 was over $2.0 billion. The state has over 24.2 million acres of commercial forest land and has ranked first in sales of all forest products since 1938.

Primary and Fabricated Metals

Employment in primary and fabricated metals has increased from 16,300 in 1972 to 21,400 in 1981, an increase of 31.3%. Growth in this industry is related to increasing domestic and foreign needs for metal and metal products. Metals industry production requires substantial amounts of energy and therefore may be affected in the future by energy supply.

High Technology

High technology is the fastest growing industry group in the manufacturing sector. Employment in electrical equipment and supplies increased from 3,100 in 1972 to 10,000 in 1981, an increase of 222.6%. Instruments and related products employment increased by 77.6% from 9,800 in 1972 to 17,400 in 1981, and employment in machinery manufacturing increased from 10,100 to 18,000, an increase of 78.2% in the same time period. Oregon's largest employer is in this industry, primarily manufacturing electrical measuring instruments and test equipment. This industry can be expected to continue growth, based on national trends. The Oregon environment is well-suited to this type of work, which is facilitated by a dust-free atmosphere.

Transportation Equipment

About one-fourth of the employes involved in manufacturing transportation equipment in Oregon are working for mobile home and travel trailer companies. Other significant areas of employment are builders of truck and bus bodies, railroad cars and aircraft parts. Employment rose by 11.1% from 1972 to 1981. Energy supply and demand are expected to affect this industry as use of mass transit increases and travel trailers become less practical. Employment in the manufacturing of bus and truck chassis and railroad cars may rise as employment in travel trailers decreases.

NONDURABLE GOODS

Food and Kindred Products

Food and kindred products employment increased from 23,400 in 1972 to 24,1000 in 1981, an increase of 3.0%. Food products declined as a proportion of total manufacturing employment from about 12.7% in 1972 to 11.8% in 1981.

Although few job openings are expected on an annual average basis, significant numbers of short-term openings (i.e., less than three months) are available during the year because of the seasonal increase in employment brought about by agricultural harvesting activities.

Paper and Allied Products

During 1972 Oregon employed 9,600 wage and salary workers in the paper and allied products industry. During 1981 employment had increased by 7.2% to 10,300. The proportion this industry represents of total manufacturing employment declined from about 5.2% to 5.1% in that time period.

Favored by growing domestic markets, the long-term outlook for the paper industry nationally is promising. The firms in Oregon producing paper products have demonstrated less sensitivity to cyclical economic trends than the lumber and plywood companies. Demand for paper and paper products remain strong on both the national and international markets.

Printing and Publishing

Employment needs in the publishing and printing industry group increased between 1972 and 1981 from 7,200 to 10,300, a gain of 43.1%.

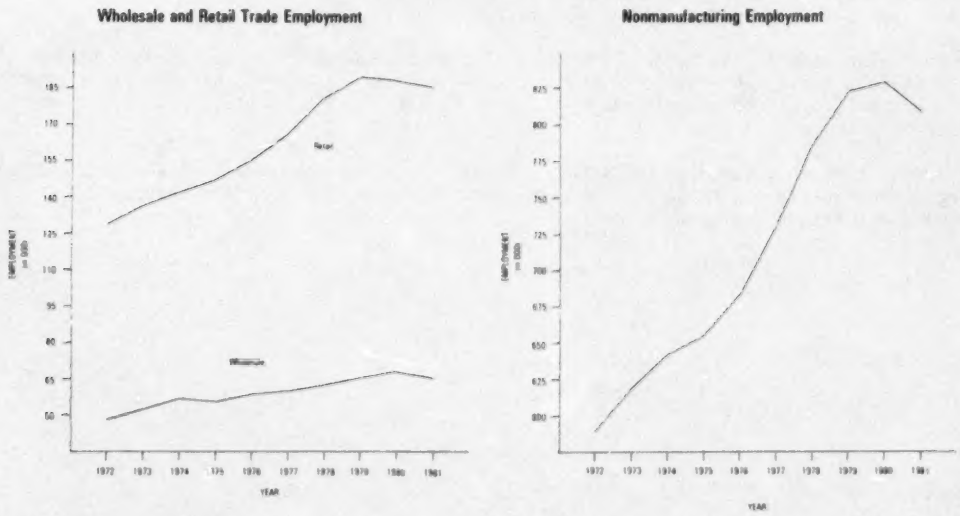
Nonmanufacturing Employment Trends

Nonmanufacturing contains a wide variety of nongoods producing industries which accounted for 76.2% of nonagricultural wage and salary employment in Oregon in 1972, and rose to 80.1% in 1981, increasing from 590,300 in 1972 to 816,000 in 1981. The most important nonmanufacturing employment areas are construction; transportation, communication and utilities; wholesale and retail trade; finance; services; and government.

Exhibit 7 shows graphically the growth of nonmanufacturing and wholesale and retail trade since 1950.

EXHIBIT 7

STATE OF OREGON
NONMANUFACTURING EMPLOYMENT TRENDS
1972-1981



Contract Construction

Long-range employment requirements in contract construction are difficult to project because of the types of variables which affect construction activity. For example, the national economy, strike activity and housing demand affect construction activity.

From 1972 to 1981 employment in this sector grew from 36,800 to 37,600 an increase of 2.2%. Contract construction in 1981 represented 4.6% of total nonmanufacturing employment in the nonagricultural sector.

Transportation, Communications and Public Utilities

Employment in the transportation, communication and public utilities group rose from 50,300 to 59,700 in the period from 1972 to 1981, an increase of 18.7%. This group in 1981 comprised 7.3% of nonmanufacturing employment.

Wholesale and Retail Trade

The trade industries grew by 42.9% between 1972 and 1981. Employment requirements rose to 253,700 in 1981, up from 177,600 in 1972. During this period, employment in retail trade rose at a higher growth rate than wholesale trade (44.6% to 38.1%). Trade represents 31.1% of nonmanufacturing employment.

Finance, Insurance and Real Estate

Employment in this area increased by 58.3% from 1972 to 1981, from 43,200 to 68,400. This is the highest growth rate in nonmanufacturing employment.

Services

Service employment grew from 123,200 in 1972 to 192,200 in 1981, growing 56.0%. This area comprises 23.5% of nonmanufacturing employment.

Growth in employment in this industry group has resulted primarily from increases in population, disposable income and a growing demand for personal, business, medical and protective services.

Government

Most government employment in the state is with state and local governments. The Federal government employed 29,900 persons in 1981, up by 15.0% from 26,000 in 1972.

State employment also reached its highest level in 1980 at 55,300 and then declined to 53,200 in 1981. The state's employment change over the 1972 - 1981 period was +22.6%. Greatest growth occurred at the local level where employment rose from 88,100 in 1972 to 119,100 in 1981, an increase of 35.2%.

The overall growth rate in government employment, 28.4%, was among the lowest of any area of nonmanufacturing employment in the nonagricultural sector. Government employment represented 24.8% of nonmanufacturing employment in 1981.

The 1979 Legislative Assembly enacted a law limiting state government employment to not more than 1.6% of the state's official population. Certain employe groups are exempt from this limitation.

Exhibits 8 through 11 summarize employment and unemployment data as compared to the United States for 1970 through 1981.

EXHIBIT 8

COMPARATIVE INDEXED NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

	Oregon Data (000)		National Data (000)	
Year	Annual Average	Index[1]	Annual Average	Index[1]
1972	774.3	100.0	73,675	100.0
1973	816.2	105.4	76,790	104.2
1974	837.9	108.2	78,265	106.2
1975	837.4	108.1	76,945	104.4
1976	878.5	113.5	79,382	107.7
1977	936.9	121.0	82,471	111.9
1978	1,009.4	130.4	86,697	117.7
1979	1,056.2	136.4	89,823	121.9
1980	1,041.1	134.6	90,564	122.9
1981	1,019.3	131.6	91,548	124.3

1 - The index is based on the 1972 annual average. Using 100 as the base, the index is determined by dividing the annual average for the current period by the annual average for 1972.

Source: Oregon Department of Human Resources, Employment Division.

EXHIBIT 9

COMPARATIVE MANUFACTURING EMPLOYMENT, 1981

	Oregon		U.S.	
Manufacturing by Industry	Employment (In thousands)	Percent of Total Manufacturing	Employment (In thousands)	Percent of Total Manufacturing
Lumber and Wood	63.8	31.4%	679.3	3.4%
Furniture and Fixtures	2.5	1.2	476.6	2.3
Stone, Clay and Glass	3.9	1.9	650.2	3.2
Primary Metals	10.2	5.0	1,128.2	5.6
Fabricated Metals	11.2	5.5	1,583.6	7.8
Machinery	18.0	8.9	2,512.6	12.4
Electrical Equipment and Supplies	10.0	4.9	2,133.9	10.5
Transportation Equipment	9.0	4.4	1,837.8	9.1
Instruments	17.4	8.6	718.0	3.5
Miscellaneous Manufacturing	2.5	1.2	486.4	2.4
Food	24.1	11.9	1,684.1	8.3
Textiles	1.8	0.9	839.3	4.1
Apparel	2.8	1.4	1,255.8	6.2
Paper	10.3	5.1	692.3	3.4
Printing and Publishing	10.3	5.1	1,288.0	6.4
Chemicals	2.2	1.1	1,107.3	5.5
Petroleum Refining	0.5	0.2	210.8	1.0
Rubber	2.5	1.2	744.4	3.7
Leather	0.3	0.1	232.3	1.2
	203.3	100.0%	20,260.9	100.0%

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics

EXHIBIT 10

COMPARATIVE
UNEMPLOYMENT AND UNEMPLOYMENT RATES
(Annual Averages, In Thousands)
(Not seasonally adjusted)

	Civilian Labor Force		Unemployed		Unemployed Rate		Oregon Rate as % of U.S. Rate
Date	OR	U.S.	OR	U.S.	OR	U.S.	
1970	865	82,715	62	4,088	7.1%	4.9%	144.9%
1971	903	84,413	68	4,993	7.6	5.9	128.8
1972	959	86,542	66	4,840	6.8	5.6	121.4
1973	1,001	88,714	62	4,304	6.2	4.9	126.5
1974	1,015	91,011	76	5,076	7.5	5.6	133.9
1975	1,039	92,613	110	7,830	10.6	8.5	124.7
1976	1,068	94,773	102	7,288	9.6	7.7	124.7
1977	1,130	97,401	83	6,855	7.3	7.0	104.3
1978	1,196	100,420	72	6,047	6.0	6.0	100.0
1979	1,217	102,908	83	5,963	6.8	5.8	117.2
1980	1,271	104,719	105	7,449	8.2	7.1	115.5
January, 1981	1,296	106,885	127	8,746	9.8	8.2	119.5
February	1,302	107,015	137	8,614	10.5	8.0	131.3
March	1,322	107,635	134	8,271	10.1	7.7	131.2
April	1,327	107,906	130	7,561	9.8	7.0	140.0
May	1,338	108,586	125	7,731	9.3	7.1	131.0
June	1,364	109,904	127	8,485	9.3	7.7	120.8
July	1,348	110,742	121	8,130	9.0	7.3	123.3
August	1,338	110,099	122	7,947	9.1	7.2	126.4
September	1,344	108,273	120	7,884	8.9	7.3	121.9
October	1,336	109,244	128	8,216	9.6	7.5	128.0
November	1,323	109,178	141	8,676	10.7	7.9	135.4
December	1,322	108,575	159	9,013	12.0	8.3	144.6
January, 1982	1,298	108,014	165	10,183	12.7	9.4	135.1
February	1,306	108,324	163	10,378	12.5	9.6	130.2
March	1,311	108,761	161	10,290	12.3	9.5	129.5
April	1,312	108,814	155	9,957	11.8	9.2	128.3
May	1,314	109,914	146	9,957	11.1	9.1	122.0
June	1,330	111,569	145	10,886	10.9	9.8	111.2
July	1,311	112,526	136	11,036	10.3	9.8	105.1
August[1]	1,301	111,887	132	10,710	10.1	9.6	105.2

1 - Preliminary Data
Source: State of Oregon, Department of Human Resources, Employment Division.

Projections for Broad Occupational Groups

Total wage and salary employment growth is expected to create approximately 268,343 new jobs between 1979 and 1987. This represents a continuation of the overall economic expansion Oregon experienced during the previous decade.

Overall total wage and salary employment should increase 25.0% between 1979 and 1987. This will differ in the major occupational group levels. The fastest growing group for the same time interval is expected to be service occupations, increasing 37.3%, while the slowest is expected to be farm workers, increasing 7.4%. In 1987 white collar wage and salary workers should total approximately 668,140 and will account for aboout 50% of total wage and salary employment. Blue collar workers are expected to increase from about 373,443 in 1979 to 442,612 in 1987. At that time, blue collar workers are expected to represent about 33% of total wage and salary employment, down from about 35% in 1978. Service occupations comprise the third largest occupational group in Oregon. Employment in this group is expected to expand from 167,278 in 1979 to an estimated 229,657 in 1987 and will account for roughly 17.1% of all wage and salary employment.

Exhibit 11 summarizes occupational employment trends through 1987.

EXHIBIT 11

STATE OF OREGON OCCUPATIONAL EMPLOYMENT TRENDS, 1979-87
Annual Averages

Occupational Title	1979		Projected 1987		Change	
	Empl.	Pct.	Empl.	Pct.	1979-87	% Change
Professional & Technical	154,409	14.4%	190,894	14.3%	36,485	23.6%
Managers & Officers	89,105	8.3	112,383	8.4	23,278	26.1
Sales	77,530	7.2	99,957	7.5	22,427	28.9
Clerical	210,301	19.6	264,906	19.8	54,605	26.0
Craftworkers & Supervisors	129,467	12.1	154,565	11.5	25,098	19.4
Operatives	158,184	14.8	190,833	14.2	32,649	20.6
Services	167,278	15.6	229,657	17.1	62,379	37.3
Laborers, Excluding Farm	76,892	7.2	87,655	6.5	10,763	14.0
Farm Workers	8,900	0.8	9,559	0.7	659	7.4
TOTAL	1,072,066	100.0%	1,340,409	100.0%	268,343	25.0%

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.

Agriculture

Agriculture is usually considered to be Oregon's second leading industry with annual farm sales of over 1.76 billion in 1981. Production is well-diversified with over one hundred different farm commodities and is facilitated by Oregon's varied topography, soils and moderate climate.

Oregon agriculture continues to follow the national trend of increasing capital intensity. Agricultural employment is decreasing while constant dollar output is increasing.

Although every county in the state is involved in agricultural production, activity is concentrated in the fertile Willamette Valley. Industry growth is tied to the increasing use of irrigation and the excellence of Oregon fruit and row crops.

Crop production may be divided into five categories, of which grain and forage dominates. Livestock and dairy products lead all farm commodities in total dollar value of production. Exhibit 12 presents gross farm sales from 1977 to 1981.

The State's leading agricultural product is wheat, followed by potatoes and hay. The state ranked fifteenth, fourth and twenty-second in production of these products, respectively, among the states in 1979.

The food processing industry, which in 1980 accounted for about 10% of Oregon manufacturing employment, is directly supported by agricultural production in the state.

EXHIBIT 12

OREGON GROSS FARM SALES

Commodity	Value (Millions of dollars) 1977	1978	1979	1980	1981[1]	1981 Percent of Total Value
ALL CROPS	$696.8	$812.5	$906.3	$1,102.6	$1,148.4	65.3%
Grains	148.0	200.4	234.6	336.8	345.2	19.6
Hay & Silage	44.5	39.6	48.2	63.3	61.9	3.5
Grass & Legume Seeds	78.3	81.0	94.2	102.1	106.8	6.1
Field Crops	138.3	132.5	118.7	155.2	173.1	9.8
Tree Fruits & Nuts	71.2	91.4	105.8	98.7	96.5	5.5
Small Fruits & Berries	32.3	34.7	38.5	31.5	38.9	2.2
All Vegetable Crops	80.1	93.6	93.7	114.0	123.6	7.0
Specialty Products	104.0	139.3	172.8	201.1	202.4	11.5
ALL LIVESTOCK & PRODUCTS	370.7	444.5	608.7	560.8	611.6	34.7
Cattle & Calves	180.0	230.0	360.0	290.0	304.8	17.3
Dairy Products	103.6	114.6	133.3	151.5	172.5	9.8
Eggs & Poultry	50.4	54.8	61.4	61.3	67.7	3.8
Miscellaneous Animals	36.7	45.1	54.0	58.0	66.6	3.8

1 - Preliminary data

Source: Oregon State University, Extension Economic Information Office.

Housing

The housing industry is largely reflective of cyclical trends in the national economy. Therefore, housing starts were slow during the recession of 1973-1975. Construction activity recovered during 1976-1978, peaking at a record high number of starts in 1977. Since 1979, housing starts have diminished. Figures for 1981 indicate that year may have been low point for housing starts in the business cycle.

Exhibit 13 shows building permits for single and multi-family dwellings since 1972.

EXHIBIT 13

OREGON BUILDING PERMITS

Year	Single-Family Dwellings	Percent Change	Multi-Family Dwellings	Percent Change
1972	14,213	—%	16,128	—%
1973	13,153	- 7.5	9,639	-40.2
1974	10,732	-18.4	4,739	-50.8
1975	14,527	+35.4	5,617	+18.5
1976	20,505	+41.2	10,687	+90.3
1977	25,986	+26.7	13,506	+26.4
1978	25,316	- 2.6	12,901	- 4.5
1979	17,426	-31.2	10,162	-21.2
1980	13,525	-22.4	5,651	-44.4
1981	8,016	-40.7	4,102	-27.4
1982 (thru 6/30)	2,345	—	1,271	—

Source: State of Oregon, Department of Commerce, Housing Division.

Population

Oregon's July 1, 1981 population was determined to be 2,660.435 by Portland State University's Center for Population Research and Census, the state's official bureau for population data. Since 1960, the state's population has increased by approximately 50%. In 1976, the Center projected a population ranging from 3,019,900 to 3,761,800 by the year 2000, an increase of about 14% to 42% for the next twenty years.

Based on percent change (25.9% from April 1, 1970 to April 1, 1980), Oregon ranks eleventh among the states in rate of population growth. From 1978 to 1980 Oregon's growth rate has shown increases of above three times the national average. The average annual growth rate in Oregon was .78% for the period from 1970 to 1980, compared with a national average of 1.24%.

There are four major urban population areas in Oregon. The City of Portland located in Multnomah County, is the state's largest city and had a population of 366,960 as of July 1, 1981. The Oregon portion of the Portland Standard Metropolitan Statistical Area, which is comprised of Clackamas, Multnomah and Washington counties in Oregon had a population of 1061,300 at that date.

The second largest urban center is the Eugene metropolitan area located in Lane County in the upper Willamette Valley, site of the University of Oregon. Eugene had a population of 106,000 as of July 1, 1981, and the Eugene-Springfield SMSA had a population of 275,000 at that date. Salem is the third largest city and had a population of 93,075 on July 1, 1981. Salem is situated in the heart of the Willamette Valley and serves as the state capital. In addition, Medford, and Jackson County, was designated a new SMSA as a result of the 1980 Census. Population as of July 1, 1981 was 133,700.

Exhibit 14 presents comparative population information for Oregon and the United States since 1940.

EXHIBIT 14

COMPARATIVE POPULATION GROWTH OREGON AND UNITED STATES, 1940-1981 (as of July 1)

Year	Oregon	Increase Over Previous Period	United States	Increase Over Previous Period
1940	1,090,000	—	132,165,000	—
1950	1,521,000	39.54%	151,326,000	14.50%
1960	1,769,000	16.31	179,323,000	18.50
1970	2,091,500	18.23	203,810,000	13.66
1971	2,143,000	2.46	206,219,000	1.18
1972	2,183,300	1.88	208,234,000	0.98
1973	2,224,900	1.91	209,859,000	0.78
1974	2,266,000	1.85	211,389,000	0.73
1975	2,299,000	1.46	213,051,000	0.79
1976	2,341,800	1.86	214,680,000	0.77
1977	2,396,100	2.32	216,400,000	0.80
1978	2,472,000	3.17	218,228,000	0.85
1979	2,544,000	2.91	220,099,000	0.86
1980	2,639,915	3.77	226,504,825	2.91
1981	2,660,435	0.78	229,304,000	1.24

Sources: 1940-1960 — State of Oregon, Department of Human Resources, Employment Division, Research and Statistics
1970-1981 — Center for Population Research, Portland State University (estimates are as of July 1 of year shown).

Personal Income

Per capita personal income as a percentage of the national average has risen steadily in the last decade from 94.5% in 1970 to 101.5% in 1979. The average increase in real per capita income in Oregon for 1970 through 1978 was 2.89% compared with 2.29% for the United States. Total personal income has also increased at a faster rate in Oregon than in the United States or in other Pacific Northwest states.

The Oregon Department of Energy forecasts an average annual real rate of growth of total personal income ranging from 2.8% to 3.8% through the year 2000, and a real per capita average annual rate of increase of about 1.75%. These personal income rates will be slightly lower than in the previous three decades.

Exhibit 15 shows total and per capita personal income since 1969 for Oregon, the United States and Oregon's three major Standard Metropolitan Statistical Areas, Portland, Eugene and Salem.

Exhibit 16 shows total per capita personal income growth, rates of change, and comparisons to the United States for the period form 1960 to 1980.

EXHIBIT 15

COMPARATIVE PER CAPITA INCOME 1960-1981 (Current Dollars)

Year	Portland SMSA	Eugene SMSA	Salem SMSA	Oregon	Percent Change	U.S.	Percent Change	Oregon as Percent of U.S.
1960	—	—	—	$2,218	—	$2,216	—	100.1%
1970	$ 4,167	$3,251	$3,398	3,711	69.1%	3,945	79.2%	94.1
1971	4,463	3,521	3,654	3,956	6.6	4,167	5.6	94.9
1972	4,860	3,880	3,995	4,346	9.9	4,515	8.4	96.3
1973	5,363	4,349	4,615	4,835	11.3	5,010	11.0	96.5
1974	5,945	4,675	4,996	5,335	10.3	5,448	8.7	97.9
1975	6,417	5,128	5,345	5,723	7.3	5,842	7.2	98.0
1976	7,116	5,847	5,981	6,368	11.3	6,367	9.0	100.0
1977	7,817	6,623	6,531	6,998	9.9	6,984	9.7	100.2
1978	8,775	7,340	7,139	7,844	12.1	7,775	11.3	100.9
1979	9,744	8,013	7,865	8,663	10.4	8,655	11.3	100.1
1980	10,650	8,455	8,425	9,270	7.0	9,480	9.5	97.8
1981	—	—	—	10,008	8.0	10,491	10.7	95.4

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

EXHIBIT 16

COMPARATIVE PERSONAL INCOME 1950-1981 (Billions of Current Dollars)

Year	Oregon	Percent Change	U.S.	Percent Change	Oregon as % of Total
1950	$ 2.5	—	$ 225.7	—	1.11%
1960	3.9	56.0%	398.8	76.7%	0.98
1970	7.8	100.0	803.9	101.6	0.98
1971	8.5	9.0	861.9	7.2	0.99
1972	9.5	11.8	944.9	9.6	1.01
1973	10.8	13.7	1,058.9	12.1	1.02
1974	12.2	13.0	1,162.2	9.8	1.05
1975	13.3	9.0	1,258.6	8.3	1.06
1976	15.1	13.5	1,385.2	10.1	1.09
1977	17.1	13.0	1,534.7	10.8	1.11
1978	19.7	15.3	1,726.7	12.5	1.14
1979	22.3	13.5	1,943.6	12.6	1.15
1980	24.5	9.5	2,153.6	10.8	1.14
1981	26.5	8.4	2,405.6	11.7	1.10

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

Consumer Price Index

The Consumer Price Index (CPI) reflects a faster inflation rate in the last decade for the Portland area than for the United States. From 1972 through 1979, prices rose at a rate from 95.4% to 103.7% of United States prices. However, in the last two years prices have risen at a lower annual rate, of 11.7% while the national rate has climbed 12.6% per year.

Exhibit 17 shows the change in the CPI since 1970 for Portland SMSA and the United States annual averages.

EXHIBIT 17

CONSUMER PRICE INDEX[1]
FOR OREGON AND U.S.
(Annual Averages)

Year	Portland SMSA	United States	Portland CPI as Percent of U.S. CPI
1970	113.2	116.3	97.3%
1971	116.1	121.3	95.7
1972	119.5	125.3	95.4
1973	127.3	133.1	95.6
1974	142.8	147.7	96.7
1975	156.5	161.2	97.1
1976	167.0	170.5	97.9
1977	180.2	181.5	99.3
1978	198.4	195.4	101.5
1979	225.4	217.4	103.7
1980	255.4	246.8	103.5
1981	278.2	272.4	102.1

1 - The Consumer Price Index is computed using 1967 = 100 as base year. All urban consumers.

Source: U.S. Bureau of Labor Statistics.

Energy

State Energy Policy

Historically, the Pacific Northwest energy picture has been dominated by availability of plentiful, low-cost hydro-electric energy. And although electricity is still less expensive in Oregon than in many areas of the country, the last major hydro generating plant on the Columbia River was completed in 1975. National shortages and dependence on imported oil, rapid population growth and increasing energy consumption in the state, and the lack of a comprehensive Federal energy program have influenced the state to formulate and implement its own energy policy.

The 1975 Legislature set the framework for Oregon energy planning with creation of the Oregon Department of Energy, which has responsibility for implementing and managing the state's energy policy. The 1977 and 1979 Legislative sessions adopted conservation and renewable resource incentive programs by which the state could pursue goals adopted in 1975.

The agency has responsibility for energy conservation renewable resources, energy planning, long-range supply and demand forecasting, energy facility siting, and regulation and monitoring.

In 1979, Governor Victor Atiyeh gained Legislative approval to appoint Oregon's first alternate Energy Development Commission (AEDC) to develop a comprehensive plan for conservation and renewable energy resources.

The Three Mile Island nuclear power plant accident in March, 1979 had a significant impact in Oregon. The 1979 Legislature directed that siting approval be withheld until November, 1980 so that implications of the accident could be studied and considered. After completion of the study the siting moratorium was extended until July, 1981. No active applications are pending at this time. Furthermore, in the November, 1980 general election, voters approved a ballot measure which prohibits further development of nuclear power until permanent high level waste disposal facilities are developed.

Energy Supply Trends

Electricity comprised about 26% of Oregon's total conventional energy resources in 1981. Until the mid 1970s, most of Oregon's electricity was produced by regional Federal and utility-owned hydroelectric dams. This capacity has been almost completely developed. Only about one-fourth of Oregon's electrical needs are served by publicly-owned utilities, as contrasted to the State of Washington, where most service is through publicly-owned utilities.

Federal law mandates that publicly-owned agencies have highest priority for electricity marketed by the Bonneville Power Administration (BPA). Prior to 1973, most private utilities in Oregon purchased power from BPA. In 1973, BPA terminated firm electricity supplies to private utilities, although surplus power is still available. Those private utilities then turned to more expensive thermal generation, predominantly purchased from out-of-state, resulting in higher prices to consumers.

Oregon's first and only thermal nuclear power plant, Trojan, supplied up to 25% of the state's total electricity demand by 1979. The shift from hydro to thermal generation has major economic and environmental implications for Oregon and the Pacific Northwest.

Natural gas as a portion of the state's total conventional energy supply peaked in 1973 at 20.5%. Two-thirds of Oregon's natural gas supply is imported from Canada. Federal policy is directed toward eventual complete decontrol of gas prices, which will allow substantial increases in price and promote exploration.

Petroleum products consumption also peaked in 1973, declined by 13% during the next two years, and began to increase again, except during 1979 shortage, when it dropped. Because the state has little influence on petroleum supplies and prices, an energy shortage contingency plan was developed in 1979. The plan addresses the potential problems of gasoline shortages of varying severity and priorities for a heating oil and diesel fuel shortage.

Oregon has abundant renewable resources, particularly in geothermal energy. The Oregon climate is also well suited to use passive solar energy systems. Government and private enterprise initiative have combined to develop a variety of alternate energy resources.

The Oregon forest products industry is developing new means of utilizing wood waste products; forest residues constitute an estimated 30% of energy consumed by Oregon industries.

The nine-member Alternate Energy Development Commission (AEDC) has completed research in 1980 in six areas: solar, wind, geothermal, forest and agricultural residues, alcohol fuels, and hydroelectricity. The commission's goal was to recommend measures by which alternate resources could contribute greater portions of the state's energy needs based on a realistic assessment of the energy potential in each resource area.

In November, 1980, Congress passed the Pacific Northwest Electric Power Planning and Conservation Act. The bill establishes a mechanism for planning and financing new energy resources on a regional basis. Substantial funding is provided under the bill to promote conservation and renewable resources throughout the region.

The 1979 Oregon Legislature adopted fifteen bills focusing on tax incentives for alternate energy innovations. In addition, a measure was passed authorizing loans to individuals, small businesses, nonprofit organizations and municipal corporations for small-scale alternative energy projects. Funds for the loans are authorized through sale of general obligation industrial development bonds up to about $300 million.

Conservation has central emphasis in Oregon's energy program. The perspective is positive, viewing conservation as a source of energy, rather than in the negative sense of cutbacks in the quality of life. This viewpoint is reflected in the Pacific Northwest Regional Power Bill, which treats conservation as a resource that must be fully exploited before new thermal plants can be built.

Conservation programs in the state include weatherization programs, a stringent building code, consideration of energy as a factor in land use planning, and numerous means of facilitating a flow of technological information between the state, individual homeowners and the private sector. The state attempts to avoid duplication of efforts and expertise existing in the private sector.

Use of Energy in Manufacturing

Energy use in Oregon's manufacturing sector as a whole has increased with employment and production. Energy use per worker and per unit of output historically has been increasing. This is primarily due to a greater emphasis on energy intensive industries in Oregon and a decreasing energy price to wage ratio. The importance of the lumber and wood products and food processing industries in Oregon's manufacturing sector has declined while paper, chemicals, and primary metals have increased. This changing manufacturing structure has contributed to trends of increasing energy use per employed person and energy use per unit of production. The relative decline of energy prices as compared to wage rates is expected to be reversed in the future, resulting in a reduced amount of energy required for employing an additional worker or producing an additional unit of output.

Exhibit 18 shows energy consumption by type in Oregon since 1960.

EXHIBIT 18
STATE OF OREGON
CONSUMPTION OF ENERGY BY TYPE 1960-1978
(TRILLION BTU)

Year	Coal	Natural Gas (Dry)	Petroleum	Nuclear Power	Hydro-electric Power	Wood and Waste[2]	Sub Total	Electricity Exchanged Across State Borders[3]	Total Energy Consumed
1960	10.011	31.941	224.466	0.000	134.134	0.261	400.813	27.931	428.744
1961	10.507	35.011	221.604	0.000	133.046	0.244	400.412	34.227	434.639
1962	10.032	39.190	232.675	0.000	140.560	0.309	422.766	35.736	458.502
1963	8.436	44.694	242.979	0.000	142.933	0.327	439.369	38.484	477.853
1964	7.703	55.711	259.112	0.000	156.986	0.032	479.544	48.998	528.542
1965	7.988	57.859	257.297	0.000	172.561	0.271	495.976	46.842	542.818
1966	7.357	67.241	273.183	0.000	174.133	0.474	522.388	59.962	582.350
1967	5.479	72.113	272.642	0.000	186.321	0.035	536.590	62.323	598.913
1968	4.496	81.682	291.398	0.000	212.612	0.034	590.222	51.974	642.196
1969	4.626	90.577	302.660	0.000	291.449	0.026	689.338	(5.746)	683.592
1970	3.670	98.238	308.635	0.000	313.901	0.464	724.908	(14.948)	709.960
1971	4.171	104.025	325.738	0.000	360.068	0.339	794.341	(40.909)	753.432
1972	2.715	113.340	353.317	0.000	378.599	0.618	848.589	(54.520)	794.069
1973	2.668	110.132	361.621	0.000	292.446	0.648	767.517	(46.786)	814.301
1974	4.097	100.404	341.267	0.000	375.956	0.492	822.216	(19.215)	803.001
1975	3.031	112.096	322.364	0.023	359.648	0.000	797.162	31.693	828.855
1976	7.294	94.257	332.053	23.227	367.033	0.476	824.340	19.496	843.836
1977	7.081	73.899	361.815	69.916	254.459	2.708	769.878	75.359	845.237
1978	6.498	87.518	385.791	16.835	332.987	1.371	831.000	73.071	904.071

1 - Includes industrial and utility production.

2 - Consumed at utilities to produce electricity.

3 - Imports (export) of electricity to Oregon.

Note: Totals may not equal sum of components due to rounding.

Note: Totals do not include wood derived fuel consumed by the pulp and paper industry which amounted to an estimated 1.0 quadrillion BTU in the United States in 1978. Also excludes small quantities of other energy sources for which consistent historical data are not available, such as solar energy obtained by the use of thermal and photovoltaic collectors; wind energy; and geothermal, biomass, and waste energy other than that consumed at the electric utilities.

Source: U.S. Department of Energy, Energy Information Administration, State Energy Data Report, April 1980.

Energy Forecasts

The Oregon Department of Energy forecast in its sixth Annual Report of January, 1982 energy needs for the state by a complex methodology using end-use analysis and econometric modelling. Forecasts include projections of population, employment, energy intensiveness of manufacturing, income, price consumption, energy sources, and consumption by sector.

Energy consumption is predicted to increase throughout the year 2000 at slower rates than in the past. The expected annual rate of growth of energy consumption is 1.2%, as compared to 2.8% for 1968-78. Forecasts of energy price increases, declines in population and real income growth rates and legislatively mandated conservation measures are primarily responsible for the anticipated slowdown in energy demand growth.

The Sixth Annual Report and Demand Forecast of the Department of Energy was published January 1, 1982.

International Trade and Exports

Like other segments of Oregon's economy, geography and natural resources have played a role in the development of the state's international trade activities. The majority of the state's international trade activities are with the Port of Portland, where an efficient system for dealing with a large number of vessels has been developed including modern grain elevators, cranes and containerized-cargo facilities in addition to ship repair and drydock facilities. Other important ports are located at the coastal cities of Astoria, Newport and Coos Bay. The state has a total of twenty-three port districts handling over 4,000 vessels annually.

Portland is the leading export port on the West Coast and in fiscal year 1980-81 shipped 5,010,563 tons, an increase of 29.8% over 1980.

The leading products exported from Oregon are lumber and wood products, agricultural products and technical instruments.

Exhibit 19 presents value of exports and imports of the Oregon Customs District from 1969 to 1981 Customs District data do not necessarily represent products of Oregon or having Oregon as final destination and exclude certain air cargos.

EXHIBIT 19

STATE OF OREGON
OREGON CUSTOMS DISTRICT EXPORTS AND IMPORTS
1969-1981
(Millions of Current Dollars)

Year	Exports	% Change	Imports	% Change
1969	$ 665.7	—	$ 357.4	—
1970	786.9	+ 18.2%	382.1	+ 6.9%
1971	576.7	- 26.7	412.5	+ 8.0
1972	791.4	+ 37.2	484.6	+17.5
1973	1,697.2	+114.5	605.2	+24.9
1974	2,259.7	+ 33.1	903.5	+49.3
1975	1,982.2	- 12.3	809.0	-10.5
1976	2,134.9	+ 7.7	1,108.2	+37.0
1977	1,798.3	- 15.8	1,151.4	+ 3.9
1978	2,414.8	+ 34.3	2,055.7	+78.5
1979	3,063.6	+ 26.9	2,361.8	+14.9
1980	3,761.4	+ 22.8	2,623.9	+12.1
1981	3,882.6	+ 3.2	2,805.6	+ 6.9

Source: U.S. Department of Commerce, Portland District Office.

Tourism

Oregon has many outstanding features which favor development of tourism. The state is noted for protection of its clean environment and natural scenic beauty. Within state boundaries exist two major mountain ranges, vast coastal and desert regions, and multi-use and wilderness forest areas. The state has over 400 miles of seacoast, 47,000 miles of streams, 1,400 lakes and reservioirs, 213 state parks and a national park. While summer is traditionally the peak vacation season, tourism contributes all year to the state's economy and is enhanced by a mild, comfortable climate throughout the year and a wide variety of available leisure activities.

The actual impact of tourism on Oregon's economy is difficult to estimate. Tourism consists of segments of the retail trade, service and transportation industries. The energy supply may affect the tourist industry in the future. Over 11.9 million pleasure travelers were recorded in 1981, an increase of 9.1% over 1980. The average traveler stayed in Oregon 5.2 days in 1981.

By bringing in capital from outside the state, tourism has a significant impact on income and employment levels. The Oregon State Highway Division estimated the magnitude of tourist expenditures to be 1.27 billion in 1981, about an 11.4% increase over 1980.

Post Secondary Education

The Oregon State Board of Higher Education is the governing board for the Oregon State System of Higher Education. Approximately 64,000 students attend the eight institutions composing the system. The state operates four universities: the University of Oregon in Eugene, Oregon State University in Corvallis, Portland State University in downtown Portland, and the Oregon Health Sciences University in SW Portland. Other state schools include Eastern Oregon State College, Western Oregon State College, Oregon Institute of Technology, and Southern Oregon State College.

In addition, there are twenty-one independent colleges, fourteen community colleges and various proprietary vocational schools in the state.